VELOGIC HOLDING COMPANY LIMITED

FINANCIAL STATEMENT – PERIOD FROM

JULY 1, 2020 TO MARCH 31, 2021

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VELOGIC HOLDING COMPANY LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the Consolidated and separate financial statements of Velogic Holding Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 7 to 96 which comprise the consolidated and separate statements of financial position as at 31 March 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the period then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Group and Company as at 31 March 2021, and of its consolidated and separate financial performance and consolidated and separate cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") and other independence requirements applicable to performing audits of financial statements of the Group and Company and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in Mauritius. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VELOGIC HOLDING COMPANY LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

The Key Audit Matters applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Impairment of goodwill and investments in subsidiaries The carrying amount of goodwill recognised at Group level amounted to Rs 458.8m as at 31 March 2021 and investments in subsidiaries in the separate financial statements of the Company amounted to Rs 1,099m as at the same date. Disclosures around the impairment assessment of goodwill and subsidiaries and cash generating units are set out in notes 7 and 8 of the financial statements respectively. A cash generating unit ("CGU") to which goodwill has been allocated must be tested for impairment at least annually in accordance with IAS 36 Impairment of Assets, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the unit. The determination of the recoverable amount, being the higher of value-in-use and fair value less costs to sell, requires judgement on the part of management in both identifying and then valuing the relevant CGUs. There is the risk that management may influence the significant judgements and estimations in respect of business valuations in order to meet market expectations of the overall Net Asset Value of the Company. The risk has increased in the current year due to the timing and uncertainty of the COVID – 19 pandemic and the consequent impact on valuations. A similar process applies to the impairment of investments in subsidiaries held at Company level. Variations in the estimates and assumptions may result in significant impact on the reported results and relevant assets. Due to the significant judgments that need to be applied we have considered the impairment of goodwill and investments in subsidiaries as a key audit matter.	We evaluated the operation of the management's controls over the impairment assessment process. Our audit procedures included challenging management on the appropriateness of the impairment model and reasonableness of the assumptions used through performing the following: ▪ We reviewed management determination of CGUs for impairment assessment purpose. ▪ We obtained management's impairment assessment and tested the arithmetical accuracy of the computations. ▪ With the involvement of our valuation specialists, we appraised the method used in calculating the value in use, the discount factor used, the forecasts used, and the assumptions adopted therein. ▪ We verified the forecasts used by management with reference to historical data and market developments, challenging growth rates. ▪ We performed a sensitivity analysis on the significant inputs to assess the range of acceptable valuations in each CGU. ▪ We reviewed the allocation of impairment to the underlying related assets ▪ We assessed the adequacy of the disclosures made in the financial statements ▪ We have also considered the impact of COVID – 19 throughout the procedures performed on the valuation by challenging whether the valuation methodologies and assumptions used remained appropriate.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VELOGIC HOLDING COMPANY LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matter	How the matter was addressed in the audit
Expected credit loss under IFRS 9 IFRS 9 Financial Instruments requires an entity to incorporate reasonable and supportable information about past events, current conditions and forecasted future economic conditions into the assessment of expected credit losses ("ECL") for trade and other receivable, including amounts receivable from related parties. Such an assessment should be based on information at the reporting date and adjusted for subsequent available information where applicable. ECL is a probability weighted amount that is determined by evaluating a range of possible outcomes. ECL provisions on trade and other receivable as at 31 March 2021 amounted to Rs 120.7m (June 30, 2020: Rs 111m) as per note 12. ECLs are calculated both for individually significant receivables and collectively on a portfolio basis which require the use of statistical models incorporating loss data and assumptions on the recoverability of customers' outstanding balances. The Covid-19 pandemic has given rise to uncertainty in the economic conditions and IFRS 9 requires management to incorporate forecasts of future economic conditions on a probability weighted basis. The Group has refined its model to take into account the severity and potential impact of the pandemic on the expected losses of financial assets. The calculation of ECLs is complex and involves several judgmental assumptions. As a result, ECL calculation been identified as a key audit matter. Refer to notes 2.13 and 12 to the consolidated financial statements for the accounting policies and the relevant disclosures.	Procedures performed in respect of expected credit losses: ▪ We verified whether the ECL methodology developed by management for trade and other receivables and amounts receivable from related parties are consistent with the requirements of IFRS 9. ▪ We tested management's key assumptions and judgments used in the models to determine the expected credit loss such as the loss rate by comparing these to historical data. We also ensured the completeness and internal consistency of data used and its mathematical accuracy by performing the following procedures: o testing the age buckets of the balances due for the relevant periods o agreeing the balances at year end to source data such as the general ledger o verifying that the formulae were properly applied throughout to obtain the expected credit loss o testing the classification of insured debtors against relevant insurance contracts, verifying whether the Group's clients are within relevant insurance thresholds. ▪ We involved our IFRS 9 modelling specialists to validate the methodology used by management as well as major assumptions used (e.g. forward-looking information used by management). ▪ Our IFRS 9 modelling specialists have evaluated the reasonability of assumptions and judgements applied in Management's qualitative and quantitative assessment of external events in light of recent economic events and circumstances (Covid-19).

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VELOGIC HOLDING COMPANY LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VELOGIC HOLDING COMPANY LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Other matter

The financial statements of Velogic Holding Company Limited (the "Company") and its subsidiaries (the "Group") for the year ended 30 June 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 09 April 2021.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VELOGIC HOLDING COMPANY LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Ernst & Young

ERNST & YOUNG
Ebène, Mauritius

THIERRY LEUNG HING WAH, F.C.C.A.
Licensed by FRC

Date: 22 September 2021

STATEMENTS OF FINANCIAL POSITION - MARCH 31, 2021

		THE GROUP		THE COMPANY	
	Notes	March 31, 2021	June 30, 2020	March 31, 2021	June 30, 2020
ASSETS		Rs'000	Rs'000	Rs'000	Rs'000
Non-current assets					
Property, plant and equipment	5	998,174	1,013,142	-	-
Right-of-use assets	6	260,353	303,258	-	-
Intangible assets	7	589,121	595,141	-	-
Investment in subsidiaries	8	-	-	1,099,260	1,099,211
Financial assets at fair value through other comprehensive income	9	3,210	2,715	-	-
Deferred tax assets	10	24,891	28,176	-	-
		1,875,749	1,942,432	1,099,260	1,099,211
Current assets					
Inventories	11	32,263	34,850	-	-
Trade receivables	12	947,648	859,757	-	-
Contract assets*	13	63,400	38,600	-	
Financial assets at amortised cost*	14	126,604	107,589	53,614	54,745
Other assets	15	43,704	37,511	3	15,292
Current tax assets	16	16,601	23,184	-	-
Cash and cash equivalents	30(c)	416,636	329,639	7,436	5,790
		1,646,856	1,431,130	61,053	75,827
Total assets		3,522,605	3,373,562	1,160,313	1,175,038
FINANCED BY					
Capital and reserves					
Share capital	17	1,019,294	1,019,294	1,019,294	1,019,294
Other reserves	18	228,868	225,715	-	-
Retained earnings		325,102	244,088	25,515	15,277
Equity attributable to equity holders of the parent		1,573,264	1,489,097	1,044,809	1,034,571
Non-controlling interests		196,956	172,487	-	-
Total equity		1,770,220	1,661,584	1,044,809	1,034,571
Non-current liabilities					
Borrowings	19	216,149	224,195	47,363	-
Lease liabilities**	6(b)	213,449	244,355	-	-
Deferred tax liabilities	10	87,838	92,107	-	-
Retirement benefits obligations	20	82,939	89,460	-	-
		600,375	650,117	47,363	-
Current liabilities					
Trade and other payables*	21	851,445	615,397	32,399	27,930
Contract liabilities*	22	30,548	20,039	-	-
Current tax liabilities	16	22,497	20,350	-	33
Borrowings	19	182,378	319,611	35,742	97,504
Lease liabilities**	6(b)	65,074	71,239	-	-
Dividend payable	23	68	15,225	-	15,000
		1,152,010	1,061,861	68,141	140,467
Total liabilities		1,752,385	1,711,978	115,504	140,467
Total equity and liabilities		3,522,605	3,373,562	1,160,313	1,175,038

* Contract assets (note 13) and contract liabilities (note 22) are now presented separately on the Statement of Financial Position in accordance with IFRS 15 presentation requirements. These items were presented previously in financial assets at amortised cost (note 14) and trade and other payables (note 21).

** Lease liabilities (note 6(b)) are now presented separately on the Statement of Financial Position in accordance with IFRS 16 presentation requirements. These items were presented previously in borrowings (note 19).

These financial statements have been approved by the Board of Directors on 22/09/21
and signed on its behalf by:

Mr. Nayendranath Nunkoo
Director

Mr Naveen Sangeelee
Director

The notes on pages 10 to 96 form an integral part of these financial statements
Auditor's report on pages 1 to 6

STATEMENTS OF PROFIT OR LOSS - PERIOD FROM JULY 1, 2020 TO MARCH 31, 2021

		THE GROUP		THE COMPANY	
	Notes	**9 months to March 31, 2021**	Year ended June 30, 2020	**9 months to March 31, 2021**	Year ended June 30, 2020
		Rs'000	Rs'000	**Rs'000**	Rs'000
TOTAL INCOME	24	**2,882,308**	3,122,730	**39,272**	40,222
Revenue from sale of services	24	**2,850,101**	3,073,424	**-**	-
Direct costs	25	**(1,886,123)**	(1,934,576)	**-**	-
		963,978	1,138,848	**-**	-
Commission and other income		**28,995**	45,558	**-**	-
Dividend and interest income		**3,212**	3,748	**39,272**	40,222
		996,185	1,188,154	**39,272**	40,222
Employee benefit expense	26	**(517,397)**	(644,541)	-	-
Depreciation of:					
-property, plant and equipment	5	**(75,179)**	(99,557)	**-**	-
-right-of-use assets	6	**(61,666)**	(80,136)	**-**	-
Amortisation of intangible assets	7	**(7,379)**	(10,183)	**-**	-
Net impairment loss on financial assets	12(a)	**(11,745)**	(27,907)	**-**	-
Other expenses	25	**(128,763)**	(164,018)	**(4,288)**	(942)
Operating profit		**194,056**	161,812	**34,984**	39,280
Finance income	27(a)	**9,372**	31,408	**(1,276)**	188
Finance costs	27(b)	**(31,963)**	(50,350)	**(1,470)**	(1,824)
Profit before tax	28	**171,465**	142,870	**32,238**	37,644
Taxation	16(b)	**(40,954)**	(38,380)	**-**	36
Profit for the period/year		**130,511**	104,490	**32,238**	37,680
Profit attributable to:					
Equity holders of the parent		**103,014**	74,090	**32,238**	37,680
Non-controlling interests		**27,497**	30,400	**-**	-
		130,511	104,490	**32,238**	37,680
Earnings per share (Rs.)	29	**1.10**	0.79		

The notes on pages 10 to 96 form an integral part of these financial statements.
Auditor's report on pages 1 to 6.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - PERIOD FROM JULY 1, 2020 TO MARCH 31, 2021

		THE GROUP		THE COMPANY	
	Notes	**9 months to March 31, 2021**	Year ended June 30, 2020	**9 months to March 31, 2021**	Year ended June 30, 2020
		Rs'000	Rs'000	**Rs'000**	Rs'000
Profit for the period/year		**130,511**	104,490	**32,238**	37,680
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gain on revaluation of land and buildings	5	**-**	79,464	**-**	-
Change in fair value of equity instruments at fair value through OCI	9(a)	**-**	1,518	**-**	-
Remeasurement of post employment benefit obligations	20	**8,660**	(16,735)	**-**	-
Related tax	10(b)	**(855)**	(8,211)	**-**	-
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences		**(4,355)**	6,010	**-**	-
Other comprehensive income for the period, net of tax		**3,450**	62,046	**-**	-
Total comprehensive income for the period		**133,961**	166,536	**32,238**	37,680
Total comprehensive income attributable to:					
Equity holders of the parent		**106,167**	119,647	**32,238**	37,680
Non-controlling interests		**27,794**	46,889	**-**	-
		133,961	166,536	**32,238**	37,680

The notes on pages 10 to 96 form an integral part of these financial statements.

Auditor's report on pages 1 to 6.

STATEMENTS OF CHANGES IN EQUITY - PERIOD FROM JULY 1, 2020 TO MARCH 31, 2021

		Attributable to the equity holders of the parent					
(a) THE GROUP	Notes	Share capital	Other reserves	Retained earnings	Total	Non-controlling interests (NCI)	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) June 30, 2020							
Balance at July 1, 2019		1,019,294	178,884	211,836	1,410,014	140,076	1,550,090
Profit for the year		-	-	74,090	74,090	30,400	104,490
Other comprehensive income for the year		-	45,557	-	45,557	16,489	62,046
Total comprehensive income for the period		-	45,557	74,090	119,647	46,889	166,536
Changes in ownership interests							
Acquisition of subsidiary with NCI	32(a)(ii)	-	-	-	-	(880)	(880)
Acquisition of non-controlling interests	32(b)	-	-	(3,253)	(3,253)	(8,397)	(11,650)
Change in ownership interest in subsidiary	32(c)	-	1,274	765	2,039	(2,039)	-
Total changes in ownership interests		-	1,274	(2,488)	(1,214)	(11,316)	(12,530)
Transactions with owners of the Company							
Dividends	23	-	-	(39,350)	(39,350)	(3,162)	(42,512)
Balance at June 30, 2020		**1,019,294**	**225,715**	**244,088**	**1,489,097**	**172,487**	**1,661,584**

The notes on pages 10 to 96 form an integral part of these financial statements.

Auditor's report on pages 1 to 6.

VELOGIC HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY - PERIOD FROM JULY 1, 2020 TO MARCH 31, 2021

		Attributable to the equity holders of the parent					
(a) THE GROUP	Notes	Share capital	Other reserves	Retained earnings	Total	Non-controlling interests (NCI)	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(ii) **March 31, 2021**							
Balance at July 1, 2020		1,019,294	225,715	244,088	1,489,097	172,487	1,661,584
Profit for the period		-	-	103,014	103,014	27,497	130,511
Other comprehensive income for the period		-	3,153	-	3,153	297	3,450
Total comprehensive income for the period		-	3,153	103,014	106,167	27,794	133,961
Transactions with owners of the Company							
Dividends	23	-	-	(22,000)	(22,000)	(3,325)	(25,325)
Balance at March 31, 2021		**1,019,294**	**228,868**	**325,102**	**1,573,264**	**196,956**	**1,770,220**

The notes on pages 10 to 96 form an integral part of these financial statements.

Auditor's report on pages 1 to 6.

STATEMENTS OF CHANGES IN EQUITY - PERIOD FROM JULY 1, 2020 TO MARCH 31, 2021

(b) THE COMPANY

		Notes	Share capital	Retained earnings	Total
			Rs'000	Rs'000	Rs'000
(i)	June 30, 2020				
	Balance at July 1, 2019		1,019,294	16,947	1,036,241
	Profit for the period		-	37,680	37,680
	Other comprehensive income for the period		-	-	-
	Total comprehensive income for the period		-	37,680	37,680
	Dividends	23	-	(39,350)	(39,350)
	At June 30, 2020		**1,019,294**	**15,277**	**1,034,571**
(ii)	**March 31, 2021**				
	Balance at July 1, 2020		1,019,294	15,277	1,034,571
	Profit for the period		-	32,238	32,238
	Other comprehensive income for the period		-	-	-
	Total comprehensive income for the period		-	32,238	32,238
	Dividends	23	-	(22,000)	(22,000)
	At March 31, 2021		**1,019,294**	**25,515**	**1,044,809**

STATEMENTS OF CASH FLOWS - PERIOD FROM JULY 1, 2020 TO MARCH 31, 2021

		THE GROUP		THE COMPANY	
	Notes	**9 months to March 31, 2021**	Year ended June 30, 2020	**9 months to March 31, 2021**	Year ended June 30, 2020
		Rs'000	Rs'000	**Rs'000**	Rs'000
Cash flows from operating activities					
Cash generated from/(absorbed in) operations	30(a)	**455,439**	478,937	**(1,359)**	(596)
Interest paid		**(19,824)**	(46,472)	**(1,470)**	(1,824)
Interest received	24	**3,212**	3,748	**942**	1,086
Income tax paid	16(a)	**(36,064)**	(50,202)	**(33)**	(58)
Income tax refunded	16(a)	**2,357**	-	**-**	-
Net cash generated from/ (absorbed in) operating activities		**405,120**	386,011	**(1,920)**	(1,392)
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired	32(a)(iii)	**-**	(263)	**-**	-
Investment in subsidiaries	32(b)/8(a)	**-**	(11,650)	**(49)**	(67,940)
Purchase of property, plant and equipment	30(b)	**(61,482)**	(100,160)	**-**	-
Purchase of intangible assets	7	**(1,509)**	(13,608)	**-**	-
Proceeds on sale of property, plant and equipment		**4,124**	8,140	**-**	-
Dividends received		**-**	-	**53,100**	44,608
Loans granted to related parties		**-**	-	**(698)**	(819)
Loan repayments received from related parties		**-**	-	**2,612**	32,000
Net cash (used in)/from investing activities		**(58,867)**	(117,541)	**54,965**	7,849
Cash flows from financing activities					
Proceeds from borrowings	30(d)	**7,560**	188,106	**-**	24,231
Payments of borrowings	30(d)	**(67,772)**	(310,867)	**(2,050)**	(1,730)
Loan received from related parties	30(d)	**-**	126,250	**27,117**	19,000
Loan repaid to related parties	30(d)	**(9,375)**	(13,371)	**(28,800)**	(18,000)
Principal paid on lease liabilities	30(d)	**(55,864)**	(68,498)	**-**	-
Interest paid on lease liabilities	30(d)	**(12,139)**	(17,485)	**-**	-
Payments of borrowings with other financial institutions	30(d)	**(12,363)**	(16,146)	**-**	-
Dividends paid to company's shareholders	23	**(37,000)**	(44,350)	**(37,000)**	(44,350)
Dividends paid to non-controlling interests	23	**(3,482)**	(5,312)	**-**	-
Net cash used in financing activities		**(190,435)**	(161,673)	**(40,733)**	(20,849)
Net increase/(decrease) in cash and cash equivalents		**155,818**	106,797	**12,312**	(14,392)
Movement in cash and cash equivalents					
At July 1,		**238,004**	107,606	**(6,236)**	5,672
Increase/(decrease)		**155,818**	106,797	**12,312**	(14,392)
Effect of foreign exchange rate changes		**7,074**	23,601	**(2,689)**	2,484
At March 31, 2021/At June 30, 2020	30(c)	**400,896**	238,004	**3,387**	(6,236)

The notes on pages 10 to 96 form an integral part of these financial statements.

Auditor's report on pages 1 to 6.

1. GENERAL INFORMATION

Velogic Holding Company Limited is a limited liability company incorporated in the Republic of Mauritius on September 30, 2004 as a management and investment company for the Logistics Autonomous Division of Rogers & Company Limited. The immediate holding company is Rogers and Company Limited, the intermediate holding is Rogers Consolidated Shareholding Limited and its ultimate holding company is Société Caredas, all companies are incorporated in the Republic of Mauritius. Its registered office is situated at No.5 President John Kennedy Street, Port Louis. The financial statements for the period from July 1, 2020 to March 31, 2021 have been prepared for Initial Public Offering purposes and therefore are not entirely comparable to June 2020 which is based on a 12-month period

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. The policies have been consistently applied to all the periods presented in these consolidated financial statements unless otherwise stated.

2.1 Basis of preparation

The financial statements of Velogic Holding Company Limited comply with the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and have been prepared in accordance with International Financial Reporting Standards (IFRS) under the going concern basis.

The financial statements include the consolidated financial statements of the parent company and its subsidiaries (The Group) and the separate financial statements of the parent company (The Company).

The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs'000), except when otherwise indicated.

The financial statements are prepared under the historical cost convention, except that:

(i) land and building are carried at revalued amounts;

(ii) retirement benefit obligations; and

(iii) relevant financial assets and financial liabilities are stated at their fair value.

The accounting policies apply to both the Group and the Company unless otherwise stated.

Amendments to published Standards effective in the reporting period

Definition of a Business (Amendments to IFRS 3) clarifies the definition of a business to help determine whether a transaction should be accounted for as a business combination or an asset acquisition and permits, in certain circumstances, a simplified assessment that an acquired set of activities and assets is not a business. The amendments have no impact on the Group’s financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Amendments to published Standards effective in the reporting period (cont'd)

Definition of Material (Amendments to IAS 1 and IAS 8) clarifies the definition of material and aligns the definitions used across IFRSs and other IASB publications. The amendments have no impact on the Group's financial statements.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) provides relief from certain hedge accounting requirements in order to avoid unnecessary discontinuation of existing hedge relationships during the period before the replacement of an existing interest rate benchmark with an alternative interest rate. The amendments have no impact on the Group's financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards relate to minor amendments to various standards to reflect the revised Conceptual Framework for Financial Reporting. The amendments have no impact on the Group's financial statements.

Covid-19-Related Rent Concessions (Amendment to IFRS 16)

The Group's has elected to utilise the practical expedient for all rent concessions that meet the criteria. The practical expedient has been applied retrospectively, meaning it has been applied to all rent concessions that satisfy the criteria during the period ended March 31, 2021.

Accounting for the rent concessions as lease modifications would have resulted in the Group's remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group's is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs. The effect of applying the practical expedient is disclosed in note 6.

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) extends the temporary exemption to accounting periods beginning before January 1, 2023. The amendments have no impact on the Group's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2021 or later periods, but which the Group has not early adopted.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

At the reporting date of these financial statements, the following were in issue but not yet effective:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Annual Improvements 2018-2020

- IFRS 1 - permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. An entity applies the amendment for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted.

- IFRS 9 - clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. An entity applies the amendment for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted.

- IAS 41 - removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022. Earlier application is permitted.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

Reference to the Conceptual Framework (Amendments to IFRS 3)

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

On 27 August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform.

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 . The Group will apply these amendments at the beginning of the annual reporting period in which it first applies the amendments.

Covid-19-related rent concessions beyond 30 June 2021

In March 2021, the Board amended IFRS 16 to extend the availability of the practical expedient by one year (2021 amendment). The practical expedient in the 2021 amendment applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

Where relevant, the Group is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

2.2 Property, plant and equipment

Land and buildings, held for use in the production or supply of goods or for administrative purposes, are stated at its fair value based on periodic, but at least triennial valuations, by external independent valuers, less subsequent depreciation for buildings. At the date of revaluation, the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property, plant and equipment (cont'd)

Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. It is applied at the following rates:

Freehold buildings and buildings and yards on leasehold land	7 - 50 years
Plant and equipment	5 - 12 years
Motor vehicles	4 - 5 years
Furniture, fixtures and equipment	4 - 6.67 years

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

2.3 Contract liabilities/contract assets

(i) A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

(ii) A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of the services. Upon completion of the services and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section 2.13.

2.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Intangible assets (cont'd)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

(a) *Goodwill*

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.5) less accumulated impairment losses, if any.

Goodwill is tested annually for impairment.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

(b) *Computer software*

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives (3-5 years).

(c) *Concession rights*

Concession rights acquired by the Group are initially recorded at cost and amortised over their estimated useful lives (7-60 years).

(d) *Customer related intangibles*

Customer related intangibles acquired by the Group are initially measured at fair value at the date of acquisition and amortised cost over their estimated useful lives (7-10 years).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiaries

Separate financial statements of the Company

In the separate financial statements of the Company, investment in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiaries (cont'd)

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiaries (cont'd)

Business combinations (cont'd)

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.6 Financial instruments

(i) *Recognition and initial measurement*

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(ii) *Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost and fair value through other comprehensive income (FVOCI) - equity investment.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Financial instruments (cont'd)

(ii) *Classification and subsequent measurement (cont'd)*
Financial assets (cont'd)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

Financial assets - Business model assessment
The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice.

These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets:

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Financial instruments (cont'd)

(ii) *Classification and subsequent measurement (cont'd)*

Financial assets-Assessment whether contractual cash flows are solely payments of principal and interest (cont'd)

- prepayment and extension features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Trade receivables, contract assets and financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) *Derecognition*

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Financial instruments (cont'd)

(iii) *Derecognition (cont'd)*

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(iv) *Borrowings*

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after end of reporting period.

(v) *Trade and other payables*

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

2.7 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Leases (cont'd)

(i) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial measurement of the lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.13 Impairment of non-financial assets.

(ii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are disclosed in note 6(b).

(iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Current and deferred income tax expense

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met as per below:

(i) the Group has a legal right to offset; and

(ii) the Group intends to settle on a net basis.

An entity will normally have a legally enforceable right to set off a current tax asset against a current tax liability when they relate to income taxes levied by the same taxation authority and the taxation authority permits the entity to make or receive a single net payment.

Corporate Social responsibility (CSR)

In line with the definition within the Income Tax 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax recognised in the profit or loss and the income tax liability on the statement of financial position.

The CSR charge for the current year is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

COVID-19 Levy

A levy has been imposed by the Mauritian government on companies that have benefited from the wage assistance subsidy programme (GWAS) to assist companies to pay the salaries of their full-time or part-time employees as follows:

For the first year of tax assessment the levy is payable on the lower of:

1. the amount received under the Wage Assistance Scheme; and
2. 15% of the tax adjusted profit for the year before deducting any tax loss brought forward.

Whereas for the second applicable year of assessment, the amount received under the Wage Assistance Scheme is more than the first payment of COVID-19 Levy or no payment has been made, the COVID-19 Levy is payable on the lower of:

1. the amount received under the Wage Assistance Scheme less the COVID-19 Levy paid for the first year of assessment; and
2. 15% of the tax adjusted profit for the year before deducting any tax loss brought forward.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Current and deferred income tax expense

COVID-19 Levy

The Group has accounted for the COVID-19 Levy under income tax expense and current tax liabilities.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

2.11 Retirement benefit obligations

(a) *Defined contribution plans*

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

(b) *Defined benefit plans*

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statements of financial position in respect of defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss. Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

(c) *Unfunded pensioners*

For pensioners (former employees) who are not covered under any pension plan, the net present value of pension payable as per the terms of the contractual agreement is calculated by a qualified actuary and provided for.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Retirement benefit obligations (cont'd)

(d) *Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(e) *Gratuity on retirement*

The Company is required under the Employment Rights Act 2008 (the "the ERA") to make a statutory gratuity payment to employees retiring after continuous employment with the Company for a period of 12 moths or more. The employee need to have reached retirement age as prescribed by the ERA to be eligible for the gratuity payment.

The Company calculates its net obligations in respect of defined benefit pension plans arising from the ERA for employees by estimating the amount of future benefit that its employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine the present value. The discount rate is the yield at the end of the reporting period.

The net present value of gratuity on retirement payable under the ERA is calculated by a qualified actuary (AON Hewitt) using the projected unit credit method on a yearly basis.

The company is eligible to deduct employer's share of contributions from the above defined contribution plans maintained by the Company to the extent as prescribed by the ERA, which may or may not leave residual liability to be provided for in the financial statements. The obligations arising under this item are not funded.

In accordance with the Employment Rights Act, the amounts deductible are:

- half the lump sum payable from the defined contribution scheme, based on employer’s contribution;
- five times the amount of any annual pension payable at the retirement age due from the defined contribution, based on employer’s contribution
- any other gratuity granted at the retirement age; and
- ten times the amount of any annual pension granted at the retirement age.

(f) *State plan*

Contributions to the National Pension Scheme are expensed to the profit or loss in the year in which they fall due.

(g) Short-term employee benefits

Short-term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period during which employee services are rendered, but do not include termination benefits. Examples include wages, salaries, profit-sharing and bonuses and non-monetary benefits paid to current employees.

The undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in an accounting period is recognised in that period. The expected cost of short-term compensated absences is recognised as the employees render service that increases their entitlement or, in the case of non accumulating absences, when the absences occur, and includes any additional amounts an entity expects to pay as a result of unused entitlements at the end of the period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Foreign currencies

(a) *Functional and presentation currency*

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Mauritian Rupees which is the Company's functional and presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income'.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(c) *Group companies*

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the exchange rate at the date of that statement of financial position;

(ii) income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences from monetary items that form part of a net investments in subsidiary companies are recognised in other comprehensive income and reclassified to profit and loss on disposal of the net investment.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

Goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Impairment of non-financial assets

Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 360 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Impairment of non-financial assets (cont'd)

Non-derivative financial assets (cont'd)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 360 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Impairment of non-financial assets (cont'd)

Non-financial assets (cont'd)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.14 Revenue recognition

(a) *Revenue from contracts with customers*

Performance obligations and timing of revenue recognition

Revenue is derived from sale of services with revenue recognised at a point in time. This is generally when the services are rendered to the customer.

The Group provides courier services, freight forwarding, packing of special sugars, port related and transport services, shipping services and warehousing. Customers are normally given one month to settle their invoices.

Determining the transaction price

Revenue is derived from the fixed price for each contract and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each service rendered, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each service ordered in such contracts (it is the total contract price divided by the type of services rendered).

For most contracts, there is a fixed unit price for each service rendered, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each service ordered in such contracts. Customers are given one month to settle their invoices.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Revenue recognition (cont'd)

Practical Exemptions

The Group has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

(b) Other income

Other revenues earned by the Group are recognised on the following bases:

- Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- Other income is recognised as it accrues unless collectability is in doubt.
- Dividend income - when the shareholder's right to receive payment is established.

2.15 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

2.16 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. This condition is regarded as met only, when the sale is highly probable and the asset is available for immediate sale in its present condition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

2.17 Finance income and finance costs

The Group’s finance income include the foreign currency gain or loss on financial assets and financial liabilities;

The Group’s finance costs include interest expense. Interest expense is recognised using the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the amortised cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the gross carrying amount of the amortised cost of the liability.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Wage subsidy

In response to the COVID-19 coronavirus pandemic, in March 2020 the Government of Mauritius introduced a wage subsidy program for companies to ensure that all employees are duly paid their salary.

Wage subsidy that compensates the Mauritian subsidiaries for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

2.19 Fair value measurement

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risk factors, including:

(a) market risk;
(b) credit risk;
(c) liquidity risk; and
(d) cash flow and fair value interest rate risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect on the Group's financial performance.

Risk management is carried out by treasury department under policies approved by the Board of Directors. Treasury identifies, evaluates and hedges financial risks in close cooperation with the operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and non-derivative financial instruments and investment of excess liquidity.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) **Market risk**

Market risk is the risk that changes in market prices - e.g. currency risk and price risk - will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) **Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Euro, Kenya Shilling and US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy to require the Group to manage its foreign exchange risk exposure with treasury. The Group also manages the exposure to currency variations by matching receipts and disbursements.

The Group has investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(a) Market risk (cont'd)

(i) **Currency risk (cont'd)**

Currency profile

The currency profile of the Group and the Company's financial assets and liabilities is summarised below:

THE GROUP	**March 31, 2021** Financial assets	Financial liabilities	June 30, 2020 Financial assets	Financial liabilities
	Rs'000	**Rs'000**	Rs'000	Rs'000
Rupee	**459,242**	**629,630**	351,988	958,724
Euro	**439,462**	**481,711**	414,258	242,082
US Dollar	**227,949**	**155,864**	237,501	93,382
Great Britain (GB) Pound	**21,410**	**6,146**	12,005	20,705
Kenya Shilling	**276,989**	**138,122**	239,138	80,722
Others	**132,446**	**117,022**	83,410	79,182
	1,557,498	**1,528,495**	1,338,300	1,474,797

THE COMPANY	**March 31, 2021** Financial assets	Financial liabilities	June 30, 2020 Financial assets	Financial liabilities
	Rs'000	**Rs'000**	Rs'000	Rs'000
Rupee	**61,050**	**91,209**	60,535	88,423
Euro	**-**	**24,295**	-	37,011
	61,050	**115,504**	60,535	125,434

Sensitivity analysis

At the end of reporting date, if the rupee had weakened/strengthened against the following currencies with all the variables remaining constant, the impact on the pre-tax profit and total equity for the period would have been shown in the table below, mainly as a result of foreign exchange gains/losses on translation of foreign currency denominated financial assets and liabilities.

Group entities are taxed at a rate ranging from 15% to 28%.

THE GROUP	**9 months period ended March 31, 2021** % change	Impact on pre-tax profit and total equity Financial assets	Financial liabilities	Year ended June 30, 2020 % change	Impact on pre-tax profit and total equity Financial assets	Financial liabilities
		Rs'000	**Rs'000**		Rs'000	Rs'000
Euro	**5%**	**21,973**	**24,086**	11%	45,568	26,629
US Dollar	**1%**	**2,279**	**1,559**	12%	28,500	11,206
GB Pound	**13%**	**2,783**	**799**	9%	1,080	1,863
Kenya Shilling	**2%**	**5,540**	**2,762**	8%	19,131	6,458
Others	**3%**	**3,973**	**3,511**	5%	4,171	3,959
		36,548	**32,717**		98,450	50,115

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(a) **Market risk (cont'd)**

(i) **Currency risk (cont'd)**

THE COMPANY	**9 months period ended March 31, 2021**			Year ended June 30, 2020		
	% change	**Impact on pre-tax profit and total equity**		% change	Impact on pre-tax profit and total equity	
		Financial assets	**Financial liabilities**		Financial assets	Financial liabilities
		Rs'000	**Rs'000**		Rs'000	Rs'000
Euro	5%	**-**	**1,215**	11%	-	4,071

(b) **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from financial assets at amortised cost, trade receivables and cash and cash equivalents.

Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties are accepted. The main bank has been rated by the leading independent agency namely Moody's as ba1.

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets at amortised cost	**126,604**	107,589	**53,614**	54,745
Trade receivables	**947,648**	859,757	**-**	-
Contract assets	**63,400**	38,600	**-**	-
Cash and cash equivalents	**416,636**	329,639	**7,436**	5,790
	1,554,288	1,335,585	**61,050**	60,535

Financial assets at amortised cost includes loans advanced to related parties after a careful analysis of the financial soundness of the counterparties. Obligations of the counterparties are monitored closely. As of date, there is no indication that the subsidiaries will not be able to repay the loan on due date.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set out based on internal or external ratings in accordance with limits set by the Board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to customers on credit are made after a careful analysis of the financial soundness of the counterparties. Obligations of the counterparties are monitored closely.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(b) **Credit risk (cont'd)**

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based in the payment profiles of sales over a period of 3 years and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomics factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP to be the most relevant factor, and accordingly adjusts the historical rates based on expected changes in these factors. The gross domestic product used for 2021 is (-15.8% to 6.6%) and the forward-looking overlay for 2022 is (6.6% to 5.2%). This has been used to reflect difference between economic conditions during the period over which the historical data has been collected, current conditions and the Groups view of economic conditions over the expected lives of the receivables. The measurement of the expected credit losses excludes trade receivables which are insured and/or are based on internal or external ratings.

On that basis, the loss allowance as at March 31, 2021 and June 30, 2020 is disclosed in note 13(a).

The Group has adopted the general approach for measuring ECL for financial assets at amortised cost.

Under the general approach, the Expected Credit Losses (ECL) is measured as below:
ECL=PD×LGD×EAD

Where:
- ECL refers to the Expected Credit Losses;
- PD - This is the Probability of Default currently defined as the probability that the receivable will remain outstanding for more than 90 days;
- LGD - Loss Given Default denotes the share of losses, that is, the actual receivable’s loss in the event of customer default, or what is expected to be irrecoverable from among the assets in insolvency proceedings; and
- EAD - Exposure at Default is the amount outstanding at the reporting date.

The directors have considered the probability of default over 12 months derived from public available credit rating such as Moody’s and Standard & Poor’s. The expected loss given default has been derived using the Basel III Guidelines for uncollaterised asset. The ECL model resulted in an immaterial impairment.

(c) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market position.

The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(c) Liquidity risk (cont'd)

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting date to the contractual maturity date.

THE GROUP	Carrying amount	Contractual cash flows: 2 months or less	2-12 months	1-2 years	2-5 years	Later than 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At March 31, 2021							
Trade and other payables	**851,445**	**-**	**851,445**	**-**	**-**	**-**	**851,445**
Bank loans	**161,086**	**273**	**76,885**	**43,995**	**46,210**	**4,164**	**171,527**
Loan from related parties	**141,004**	**25,793**	**44,238**	**64,214**	**18,046**	**1,401**	**153,692**
Other loans	**50,804**	**386**	**50,418**	**-**	**-**	**-**	**50,804**
Lease liabilities	**278,523**	**15,122**	**62,716**	**55,672**	**88,596**	**223,407**	**445,513**
Borrowings with other financial institutions	**29,893**	**2,631**	**10,499**	**9,021**	**10,010**	**132**	**32,293**
Bank overdrafts	**15,740**	**-**	**15,740**	**-**	**-**	**-**	**15,740**
	1,528,495	**44,205**	**1,111,941**	**172,902**	**162,862**	**229,104**	**1,721,014**
At June 30, 2020							
Trade and other payables	615,397	-	615,397	-	-	-	615,397
Bank loans	191,937	28,699	78,128	36,820	62,655	-	206,302
Loan from related parties	150,379	-	52,108	42,277	67,813	2,838	165,036
Other loans	70,798	402	70,396	-	-	-	70,798
Lease liabilities	315,594	55,856	36,775	65,701	97,138	272,539	528,009
Borrowings with other financial institutions	39,057	3,422	14,031	11,477	14,246	-	43,176
Bank overdrafts	91,635	-	91,635	-	-	-	91,635
	1,474,797	88,379	958,470	156,275	241,852	275,377	1,720,353

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(c) **Liquidity risk (cont'd)**

THE COMPANY

		Contractual cash flows					
	Carrying amount	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**Later than 5 years**	**Total**
At March 31, 2021	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Trade and other payables	**32,399**	**-**	**32,399**	**-**	**-**	**-**	**32,399**
Bank loans	**20,246**	**230**	**4,709**	**4,780**	**13,417**	**4,164**	**27,300**
Loan from related parties	**58,810**	**31,693**	**-**	**27,117**	**-**	**-**	**58,810**
Bank overdrafts	**4,049**	**-**	**4,049**	**-**	**-**	**4,050**	**8,099**
	115,504	**31,923**	**41,157**	**31,897**	**13,417**	**8,214**	**126,608**
At June 30, 2020							
Trade and other payables	27,930	-	27,930	-	-	-	27,930
Bank loans	24,985	28,076	-	-	-	-	28,076
Loan from related parties	60,493	-	60,493	-	-	-	60,493
Bank overdrafts	12,026	-	12,026	-	-	-	12,026
	125,434	28,076	100,449	-	-	-	128,525

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(d) **Cash flow and fair value interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group has an interest rate policy which aims at minimising the annual interest costs and reduce volatility. The cost of debt is managed by effective negotiation directly with banks and other financial institutions.

Sensitivity analysis

THE GROUP

At the end of reporting date, if interest rates on borrowings had been 50 basis points higher/lower with all variables held constant, pre-tax profit and total equity for the 9 months period would have been Rs 1.855 million (year ended June 30, 2020: Rs 3.690 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

THE COMPANY

At the end of reporting date, if interest rates on borrowings had been 50 basis points higher/lower with all variables held constant, pre-tax profit and total equity for the 9 months period would have been Rs 0.098 million lower/higher (year ended June 30, 2020: Rs 0.125 million), mainly as a result of higher/lower interest expense on floating rate borrowings.

3.2 Capital risk management

The Group's and the Company's objectives when managing capital are:

- to safeguard the Group's and the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by providing products and services commensurately with the level of risk.

The Group and the Company set the amount of capital in proportion to risk. The Group and the Company manage the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistently with others in the industry, the Group and the Company monitor capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown on the statements of financial position) less cash and cash equivalents. Total equity comprises all components of equity i.e. share capital, other reserves, non-controlling interests and retained earnings.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Capital risk management (cont'd)

The debt-to-equity ratios at March 31, 2021 and at June 30, 2020 were as follows:

	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Lease liabilities (note 6(b))	**278,523**	315,594	**-**	-
Borrowings (note 19)	**398,527**	543,806	**83,105**	97,504
Total debts	**677,050**	859,400	**83,105**	97,504
Less: cash and cash equivalents	**(416,636)**	(329,639)	**(7,436)**	(5,790)
Net (cash)/debt	**260,414**	529,761	**75,669**	91,714
Total equity	**1,770,220**	1,661,584	**1,044,809**	1,034,571
Debt-to-equity ratio	**15%**	32%	**7%**	9%

The net debt to equity ratio changed from 32% at June 30, 2020 to 15% at March 31, 2021 for the Group and the net debt to equity ratio changed from 9% at June 30, 2020 to 7% at March 31, 2021 for the Company following increase in profit for the period and reduction of total debts.

There were no changes in the Group's approach to capital risk management during the year.

3.3 Fair value estimation

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Accounting classification and fair values

A number of the Group's and the Company’s accounting policies and disclosures requires the measurement of fair values, for both financial and non-financial assets and liabilities.

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) **Estimated impairment of goodwill**

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.4(a). These calculation require the use of estimates as stated in note 7(c).

(b) **Pension benefits**

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 20.

(c) **Revaluation of property, plant and equipment**

The Group carries its land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialists to determine fair value as at June 30, 2020. The key valuation technique assumptions used to determine the fair value of property, plant and equipment are further explained in note 5.

(d) **Limitation of sensitivity analysis**

The sensitivity analysis in respect of market risk in note 3(a) demonstrate the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should be noted that these sensitivities are non-linear and larger or smaller impacts should be interpolated or extrapolated from these results.

The sensitivity analysis do not take into consideration that the Group's assets and liabilities are actively managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's views of possible near-term market changes that cannot be predicted with any certainty.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Critical accounting estimates and assumptions (cont'd)

(e) **Impairment of financial assets**

The loss allowance for financial assets as discussed in note 3(b) are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The forward looking overlay used was GDP which has been significantly impacted by COVID-19. Elements of the ECL models that are considered as accounting judgements and estimates include mainly the development of ECL models including the various formulas and the choice of input which normally include determination of associations between macro economics scenarios and economic inputs such as gross domestic products rate and collateral values and probability of default (PPD), Exposure At Default (EAD).

(f) **Asset lives and residual values**

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate (note 2.2). The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(g) **Impairment of non-financial assets**

Goodwill is considered for impairment at least annually (note 7). Property, plant and equipment (note 5), and intangible assets (note 7) are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is first allocated to goodwill and then to the other assets of a cash-generating unit.

Cash flows which are utilised in these assessments are extracted from formal five-year business plans which are updated annually. The Group utilises the valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by discounted cash flow and other valuation techniques.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Critical accounting estimates and assumptions (cont'd)

(g) **Leases - Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities (note 6). The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(h) **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has Rs 94.866 million (2020: Rs 103.877 million) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by Rs 16.127 million (2020: Rs 17.659 million). Further details on taxes are disclosed in Note 10.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Fair value estimation (cont'd)

Accounting classification and fair values (cont'd)

The Group	Carrying Value			Fair Value			
	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial liabilities at amortised cost	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
March 31, 2021							
Financial assets measured at fair value							
Financial assets at fair value through other comprehensive income	-	3,210	-	-	-	3,210	3,210
Financial assets not measured at fair value							
Trade receivables	947,648	-	-	-	-	-	-
Contract assets	63,400	-	-	-	-	-	-
Financial assets at amortised cost	126,604	-	-	-	-	-	-
Cash and cash equivalents	416,636	-	-	-	-	-	-
	1,554,288	**3,210**	**-**	**-**	**-**	**3,210**	**3,210**
Financial liabilities not measured at fair value							
Borrowings - non current	-	-	216,149	-	-	-	-
Borrowings - current	-	-	182,378	-	-	-	-
Leases - non current	-	-	213,449	-	-	-	-
Leases - current	-	-	65,074	-	-	-	-
Trade and other payables	-	-	851,445	-	-	-	-
	-	**-**	**1,528,495**	**-**	**-**	**-**	**-**

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Fair value estimation (cont'd)

Accounting classification and fair values (cont'd)

The Group	Carrying Value			Fair Value			
	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial liabilities at amortised cost	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 30, 2020							
Financial assets measured at fair value							
Financial assets at fair value through other comprehensive income	-	2,715	-	-	-	2,715	2,715
Financial assets not measured at fair value							
Trade receivables	859,757	-	-	-	-	-	-
Contract assets	38,600	-	-	-	-	-	-
Financial assets at amortised cost	107,589	-	-	-	-	-	-
Cash and cash equivalents	329,639	-	-	-	-	-	-
	1,335,585	**2,715**	**-**	**-**	**-**	**2,715**	**2,715**
Financial liabilities not measured at fair value							
Borrowings - non current	-	-	224,195	-	-	-	-
Borrowings - current	-	-	319,611	-	-	-	-
Leases - non current	-	-	244,355	-	-	-	-
Leases - current	-	-	71,239	-	-	-	-
Trade and other payables	-	-	615,397	-	-	-	-
	-	**-**	**1,474,797**	**-**	**-**	**-**	**-**

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Fair value estimation (cont'd)

Accounting classification and fair values (cont'd)

The Company	Carrying Value		Fair Value			
	Financial assets at amortised cost	Financial liabilities at amortised cost	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
March 31, 2021						
Financial assets not measured at fair value						
Financial assets at amortised cost	53,614	-	-	-	-	-
Cash and cash equivalents	7,436	-	-	-	-	-
	61,050	**-**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value						
Borrowings	-	83,105	-	-	-	-
Trade and other payables	-	32,399	-	-	-	-
	-	**115,504**	**-**	**-**	**-**	**-**
June 30, 2020						
Financial assets not measured at fair value						
Financial assets at amortised cost	54,745	-	-	-	-	-
Cash and cash equivalents	5,790	-	-	-	-	-
	60,535	**-**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value						
Borrowings	-	97,504	-	-	-	-
Trade and other payables	-	27,930	-	-	-	-
	-	**125,434**	**-**	**-**	**-**	**-**

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP	Freehold land and yard	Freehold buildings	Buildings and yard on leasehold land	Plant and equipment Owned	Plant and equipment Leased	Furniture, fixtures and equipment	Motor vehicles Owned	Motor vehicles Leased	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) **March 31, 2021**									
COST OR VALUATION									
At July 1, 2020	163,091	48,870	426,186	789,757	16,783	150,454	54,373	66,799	1,716,313
Additions	-	-	840	50,367	-	7,472	2,803	3,199	64,681
Disposals	-	-	-	(4,042)	-	(1,221)	(1,903)	(4,018)	(11,184)
Exchange differences	(498)	(570)	(5)	(2,170)	-	672	261	-	(2,310)
At March 31, 2021									
- cost	162,593	48,300	427,021	-	-	-	-	-	637,914
- valuation	-	-	-	833,912	16,783	157,377	55,534	65,980	1,129,586
	162,593	**48,300**	**427,021**	**833,912**	**16,783**	**157,377**	**55,534**	**65,980**	**1,767,500**
DEPRECIATION									
At July 1, 2020	-	-	-	497,289	10,471	115,942	48,496	30,973	703,171
Charge for the year	-	703	9,998	43,684	1,270	8,299	8,454	2,771	75,179
Disposal adjustments	-	-	-	(3,524)	-	(404)	(1,475)	(3,050)	(8,453)
Exchange differences	-	(16)	(5)	(1,383)	-	619	214	-	(571)
At March 31, 2021	**-**	**687**	**9,993**	**536,066**	**11,741**	**124,456**	**55,689**	**30,694**	**769,326**
NET BOOK VALUES									
At March 31, 2021	**162,593**	**47,613**	**417,028**	**297,846**	**5,042**	**32,921**	**(155)**	**35,286**	**998,174**

5. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

(a) THE GROUP	Freehold land and yard	Freehold buildings	Buildings and yard on leasehold land	Plant and equipment Owned	Plant and equipment Leased	Furniture, fixtures and equipment	Motor vehicles Owned	Motor vehicles Leased	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(ii) June 30, 2020									
COST OR VALUATION									
At July 1, 2019	136,818	30,823	437,203	699,489	53,425	92,735	87,837	59,179	1,597,509
Additions	-	435	3,520	71,199	-	14,564	10,442	7,006	107,166
On acquisition of subsidiary (note 32)	-	-	-	-	-	707	33	-	740
Disposals	-	-	-	(27,403)	(3,006)	(1,406)	(5,331)	(4,825)	(41,971)
Transfer to intangible assets (note 7)	-	-	-	-	-	(452)	-	-	(452)
Assets scrapped	-	-	-	(300)	-	-	-	(1,781)	(2,081)
Revaluation surplus	24,559	16,326	(10,073)	-	-	-	-	-	30,812
Transfer	-	(344)	(4,488)	23,158	(33,636)	47,762	(39,672)	7,220	-
Exchange differences	1,714	1,630	24	23,614	-	(3,456)	1,064	-	24,590
At June 30, 2020									
- cost	-	-	-	789,757	16,783	150,454	54,373	66,799	1,716,313
- valuation	163,091	48,870	426,186	-	-	-	-	-	-
	163,091	48,870	426,186	789,757	16,783	150,454	54,373	66,799	1,716,313
DEPRECIATION									
At July 1, 2019	-	1,588	37,702	438,035	24,862	66,332	77,312	30,846	676,677
Charge for the year	-	1,418	10,938	57,766	1,693	11,114	8,481	8,147	99,557
On acquisition of subsidiary (note 32)	-	-	-	-	-	371	10	-	381
Disposal adjustments	-	-	-	(25,512)	(3,006)	(1,040)	(5,148)	(4,825)	(39,531)
Assets scrapped	-	-	-	(150)	-	-	-	(1,781)	(1,931)
Revaluation adjustment	-	(3,087)	(45,565)	-	-	-	-	-	(48,652)
Transfer	-	-	(3,097)	12,482	(13,078)	38,052	(32,945)	(1,414)	-
Exchange differences	-	81	22	14,668	-	1,113	786	-	16,670
At June 30, 2020	-	-	-	497,289	10,471	115,942	48,496	30,973	703,171
NET BOOK VALUES									
At June 30, 2020	163,091	48,870	426,186	292,468	6,312	34,512	5,877	35,826	1,013,142

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Addition include assets of **Rs 3.199 million** (2020: Rs 7.006 million) acquired from borrowings contracted with other financial institutions for the Group.

(c) The Group's land and buildings were last revalued at June 30, 2020 by independent valuers. The revaluation net of applicable deferred income taxes was credited to revaluation surplus in shareholders' equity (note 17).

Details of the Group's land and building measured at revalued amounts and information about the fair value hierarchy are as follows:

	Level 2	Level 3	Total
March 31, 2021	Rs'000	Rs'000	Rs'000
Freehold land and yard	162,593	-	162,593
Freehold buildings	-	47,613	47,613
Buildings and yard on leasehold land	-	417,028	417,028
	162,593	**464,641**	**627,234**
June 30, 2020			
Freehold land and yard	163,091	-	163,091
Freehold buildings	-	48,870	48,870
Buildings and yard on leasehold land	-	426,186	426,186
	163,091	**475,056**	**638,147**

There were no transfers between level 2 and 3 during the year.

The fair value of the freehold land was derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence. The most significant input into this valuation approach is cost per square metre.

Significant unobservable valuation input:	Level 2	Level 3	Level 3
	Freehold land and yard	Freehold buildings	Buildings and yard on leasehold land
	Rs.	Rs.	Rs.
Price/cost per square metre	3,650 - 6,500	13,000 - 16,500	24,000 - 47,500
	Rs'000	Rs'000	Rs'000
Effect of 10% increase/(decrease) in estimated price per square metre in isolation	16,309	4,658	42,617

5. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The reconciliation of buildings measured at revalued amounts using significant unobservable inputs are as follows:

	Freehold buildings	Building and yard on leasehold land	Total
March 31, 2021	Rs'000	Rs'000	Rs'000
At July 1, 2020	48,870	426,186	475,056
Additions	-	840	840
Depreciation charged to profit or loss	(703)	(9,998)	(10,701)
Exchange differences charged through OCI	(554)	-	(554)
At March 31, 2021	**47,613**	**417,028**	**464,641**

	Freehold buildings	Building and yard on leasehold land	Total
June 30, 2020	Rs'000	Rs'000	Rs'000
At July 1, 2019	29,235	399,501	428,736
Additions	435	3,520	3,955
Revaluation surplus credited through OCI	19,413	35,492	54,905
Depreciation charged to profit or loss	(1,418)	(10,938)	(12,356)
Transfer	(344)	(1,391)	(1,735)
Exchange differences credited through OCI	1,549	2	1,551
At June 30, 2020	**48,870**	**426,186**	**475,056**

(d) If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
Cost	**177,670**	176,830
Accumulated depreciation	**(50,920)**	(48,255)
Net book value	**126,750**	128,575

(e) Bank borrowings are secured by floating charges on the assets of the Group including property, plant and equipment for the value of **Rs 336.672 million** (2020: Rs 343.145 million).

(f) *Change in estimates*

In 2020, the Group conducted an operational efficiency review of its plant and equipment, which resulted in changes in their expected usage. The lorries and forklift which management had previously intended to use for seven years, is now expected to remain in production for 12 years from the date of purchase. As a result, the expected useful life of the equipment increased and its estimated residual value decreased. The effect of these changes on actual and expected depreciation expense was as follows:

	2020	2021	2022	2023	Later
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Increase in depreciation expense	1,147	1,130	916	561	1,760

6. RIGHT-OF-USE ASSETS

(a) **March 31, 2021**

(i) THE GROUP

	Leasehold land	Buildings	Plant & equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At July 1, 2020	87,844	213,154	74,044	9,036	384,078
Additions	-	53,712	3,109	-	56,821
Effect of modification to lease terms	(5,478)	(33,262)	-	-	(38,740)
Terminated leases	-	(7,388)	(2,209)	-	(9,597)
Exchange difference	-	1,672	(107)	483	2,048
At March 31, 2021	**82,366**	**227,888**	**74,837**	**9,519**	**394,610**
DEPRECIATION					
At July 1, 2020	3,209	54,268	20,063	3,280	80,820
Charge for the year	3,106	42,518	13,663	2,379	61,666
Terminated leases	-	(7,388)	(2,209)	-	(9,597)
Exchange difference	-	1,200	-	168	1,368
At March 31, 2021	**6,315**	**90,598**	**31,517**	**5,827**	**134,257**
NET BOOK VALUES					
At March 31, 2021	**76,051**	**137,290**	**43,320**	**3,692**	**260,353**

(ii) June 30, 2020

THE GROUP

	Leasehold land	Buildings	Plant & equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At July 1, 2019	87,844	189,703	73,173	5,818	356,538
Additions	-	19,190	871	2,427	22,488
Exchange difference	-	4,261	-	791	5,052
At June 30, 2020	**87,844**	**213,154**	**74,044**	**9,036**	**384,078**
DEPRECIATION					
Charge for the year	3,209	53,812	20,041	3,074	80,136
Exchange difference	-	456	22	206	684
At June 30, 2020	**3,209**	**54,268**	**20,063**	**3,280**	**80,820**
NET BOOK VALUES					
At June 30, 2020	**84,635**	**158,886**	**53,981**	**5,756**	**303,258**

6. RIGHT-OF-USE ASSETS (CONT'D)

		Leasehold land	Buildings	Plant & equipment	Motor vehicles	Total
(b)	**Lease liabilities**	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i)	**March 31, 2021**					
	THE GROUP					
	At July 1, 2020	88,387	165,312	55,931	5,964	315,594
	Additions	-	53,712	3,109	-	56,821
	Effect of modification to lease terms	(5,585)	(34,147)	-	-	(39,732)
	Interest expense	3,714	6,314	2,072	39	12,139
	Foreign exchange movements	-	1,386	-	318	1,704
	Lease payments	(3,793)	(46,129)	(15,815)	(2,266)	(68,003)
	At March 31, 2021	**82,723**	**146,448**	**45,297**	**4,055**	**278,523**
	Analysed as follows:					
	Non-current:					
	1-2 years	-	32,371	12,966	1,189	46,526
	2-5 years	-	55,085	16,243	418	71,746
	More than 5 years	82,723	12,454	-	-	95,177
		82,723	99,910	29,209	1,607	213,449
	Current:					
	2 months or less	-	9,463	2,769	440	12,672
	2-12 months	-	37,075	13,319	2,008	52,402
		-	46,538	16,088	2,448	65,074
		82,723	**146,448**	**45,297**	**4,055**	**278,523**
(ii)	**June 30, 2020**					
	At July 1, 2019	87,844	189,703	73,173	5,818	356,538
	Additions	-	19,190	871	2,427	22,488
	Interest expense	4,789	9,215	3,406	75	17,485
	Foreign exchange movements	-	4,275	-	791	5,066
	Lease payments	(4,246)	(57,071)	(21,519)	(3,147)	(85,983)
	At June 30, 2020	**88,387**	**165,312**	**55,931**	**5,964**	**315,594**
	Analysed as follows:					
	Non-current:					
	1-2 years	2,851	34,378	14,383	2,006	53,618
	2-5 years	10,017	66,253	23,701	1,218	101,189
	More than 5 years	72,882	16,666	-	-	89,548
		85,750	117,297	38,084	3,224	244,355
	Current:					
	2 months or less	429	8,671	3,103	523	12,726
	2-12 months	2,208	39,344	14,744	2,217	58,513
		2,637	48,015	17,847	2,740	71,239
		88,387	**165,312**	**55,931**	**5,964**	**315,594**

6. **RIGHT-OF-USE ASSETS (CONT'D)**

(c) **Nature of leasing activities (in the capacity as lessee)**

Freeport Operations (Mauritius) Limited, a subsidiary, leases a plot of land from the Mauritius Ports Authority. The lease agreement expires on March 30, 2056. The lease contract provide for payments to increase every ten years by 50%.

Another subsidiary, Associated Container Services Limited, leases a plot of land in Rodrigues from the Mauritius Ports Authority which expires on April 2, 2030.

The Group leases various buildings for office space. The Group also leases certain items of plant & equipment and motor vehicles. The leases comprise only fixed payments over the lease terms. There is no impact on the carrying amount of lease liabilities and right-of-use assets on the reporting date as the Group is not subject to lease payments that are variable. There are no extension and termination options included in leases across the Group. The Group did not provide residual value guarantees in relation to leases.

(d)

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
Lease payments	**55,864**	68,498
Interest expense (included in finance cost) (note 27(b))	**12,139**	17,485
	68,003	85,983
Expense relating to short-term leases (included in other expenses)	**9,710**	11,524
Total cash outflows for leases	**77,713**	97,507

(f) Lease liabilities are now presented separately on the Statement of Financial Position in accordance with IFRS 16 presentation requirements. This item was presented previously in borrowings (note 19).

(g) The land and buildings of one of its subsidiaries (Freeport Operations Ltd) were revalued at June 30, 2021 by independent valuers and leasehold rights valued at Rs 518.8 million were not included in the statement of financial position. Had the leasehold rights been included, the net assets value and total equity would have increased by Rs

7. **INTANGIBLE ASSETS**

THE GROUP	Customer related intangibles	Concession rights	Goodwill	Computer software	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) **COST**					
At July 1, 2020	41,402	180,000	458,794	82,986	763,182
Addition	-	-	-	1,509	1,509
Disposal	-	-	-	(49)	(49)
Exchange differences	-	-	-	330	330
At March 31, 2021	**41,402**	**180,000**	**458,794**	**84,776**	**764,972**
AMORTISATION					
At July 1, 2020	26,687	73,642	-	67,712	168,041
Charge for the year	3,995	2,250	-	1,134	7,379
Disposal adjustment	-	-	-	(49)	(49)
Exchange differences	-	-	-	480	480
At March 31, 2021	**30,682**	**75,892**	**-**	**69,277**	**175,851**
NET BOOK VALUE					
At March 31, 2021	**10,720**	**104,108**	**458,794**	**15,499**	**589,121**

7. **INTANGIBLE ASSETS (CONT'D)**

		Customer related intangibles	Concession rights	Goodwill	Computer software	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(b)	**COST**					
	At July 1, 2019	41,402	180,000	457,192	72,547	751,141
	Addition through					
	Business combination (note 32)	-	-	1,602	-	1,602
	Addition	-	-	-	13,608	13,608
	Transfer from property, plant					
	and equipment (note 5)	-	-	-	452	452
	Assets scrapped	-	-	-	(5,014)	(5,014)
	Exchange differences	-	-	-	1,393	1,393
	At June 30, 2020	**41,402**	**180,000**	**458,794**	**82,986**	**763,182**
	AMORTISATION					
	At July 1, 2019	21,360	70,642	-	67,219	159,221
	Charge for the year	5,327	3,000	-	1,856	10,183
	Assets scrapped	-	-	-	(2,466)	(2,466)
	Exchange differences	-	-	-	1,103	1,103
	At June 30, 2020	**26,687**	**73,642**	**-**	**67,712**	**168,041**
	NET BOOK VALUE					
	At June 30, 2020	**14,715**	**106,358**	**458,794**	**15,274**	**595,141**

(c) The carrying amount at March 31, 2021 does not include internally generated goodwill (2020: Nil).

(d) The carrying amount of goodwill are allocated to the following CGUs:

	Rs'000
Velogic Ltd	202,000
General Cargo Services Ltd	72,900
Others (immaterial in relation to the total goodwill)	183,894
	458,794

7. INTANGIBLE ASSETS (CONT'D)

(e) Impairment test for goodwill is allocated to the Company's cash-generating units (CGVS) identified according to the country of operation and business segment.

At the end of the reporting period, the Group has assessed the recoverable amount of goodwill and determined that there is no impairment of goodwill.

For the purpose of impairment testing, goodwill has been allocated to the Group's CGUs (subsidiaries).
The recoverable amounts for the cash generating units were based on their value in use, determined by discounting the future cash flows to be generated from the continuing use of the cash generating units. The carrying amounts of the cash generating units were determined to be lower than their recoverable amounts and no impairment has been booked during the period under review. The key assumption in the estimation of value in use and recoverable amounts are as follows:

	March 31, 2021	June 30, 2020
	%	%
Discount rate	**10.5**	11.5
Budgeted EBIDTA growth rate (average for the next 3 years)	**17.4**	26.7

The discount rate was a post-tax measure estimation based on the rate of 10-year government bonds issue by the Government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the risk of investing in equities generally and the systematic task of the specific Cash Generating Unit.

Forecasted EBIDTA has been based on the expectation of future outcomes adjusted or revenue growth and cost containment measures

With regard to the assessment of value-in-use, there are no significant changes to the sensitivity information disclosed in the consolidated financial statements for the period ended March 31, 2021. Consequently, any adverse change in a key assumption could result in an impact. The key assumptions for the recoverable amount are discussed below:

- The discount rate has been adjusted to reflect the current market assessment of the risks specific to the Group and was estimated based on the weighted average cost of capital for the Group. This rate was further adjusted to reflect the market assessment of risks specific to the Group for which future estimates of cash flows have not been adjusted. Further changes to the discount rate may be necessary in the future to reflect changing risks for the industry and changes to the weighted average cost of capital.
- Growth rate assumptions - Rates are based on the current economic outlook. However, given the economic uncertainty, reductions in growth estimates may be necessary in the future.

8. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	March 31, 2021	June 30, 2020
(a) **COST**	**Rs'000**	Rs'000
At July 1,	**1,099,211**	857,857
Additional investment in subsidiaries	**49**	241,354
At March 31,2021/At June 30, 2020	**1,099,260**	1,099,211

8. **INVESTMENT IN SUBSIDIARIES (CONT'D)**

(b) Details of the subsidiaries are as follows:

Name of company	Class of shares held	Financial year end	Stated capital	Proportion of ownership interest Direct	Indirect	Proportion of ownership interest held by non-controlling interests	Country of incorporation and operation	Main business activity	Nominal value of investment **March 31, 2021**	June 30, 2020
			Rs'000	%	%	%			**Rs'000**	Rs'000
F.O.M. Warehouses Ltd	Ordinary	June 30,	100	50.3	-	49.7	Mauritius	Dormant	**49**	-
Logistics Solutions Ltd *	Ordinary	June 30,	525,690	99.0	-	1.0	Mauritius	Investment holding	**526,820**	526,820
Papol Holding Limited *	Ordinary	June 30,	100	60.0	-	40.0	Mauritius	Investment holding	**75**	75
Rogers Logistics International Ltd	Ordinary	June 30,	156,352	100.0	-	-	Mauritius	Investment holding	**156,509**	156,509
Rogers Logistics Services Company Limited	Ordinary	June 30,	100	100.0	-	-	Mauritius	Freight forwarding	**101**	101
Rogers Shipping Ltd *	Ordinary	June 30,	721	36.0	32.6	31.4	Mauritius	Shipping	**26,880**	26,880
Southern Marine Ltd*	Ordinary	June 30,	500	36.0	32.6	31.4	Mauritius	Shipping agency	**15,120**	15,120
Sukpak Ltd*	Ordinary	June 30,	1,200	70.0	-	30.0	Mauritius	Sugar Packaging	**19,706**	19,706
Trans World International Ltd	Ordinary	June 30,	25	100.0	-	-	Mauritius	Freight forwarding	**40,193**	40,193
Velogic Depot and Warehouse Ltd	Ordinary	June 30,	300	100.0	-	-	Mauritius	Freight forwarding	**17,804**	17,804
Velogic Ltd	Ordinary	June 30,	83,384	100.0	-	-	Mauritius	Freight forwarding	**296,003**	296,003
									1,099,260	1,099,211

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Details of the subsidiaries are as follows: (cont'd)

Name of company	Class of shares held	Financial year end	Stated capital	Proportion of indirect ownership interest	Proportion of ownership interest held by non-controlling interests	Country of incorporation and operation	Main business activity
			Rs'000	%	%		
Rogers Logistics International Ltd holds the following subsidiaries:							
Cargo Express Madagascar S.A.R.L	Ordinary	June 30,	168	100.0	-	Madagascar	Freight forwarding
Rogers IDS Madagascar SARL	Ordinary	June 30,	8	100.0	-	Madagascar	Freight forwarding
Rogers IDS SAS (France)	Ordinary	June 30,	1,790	100.0	-	France	Freight forwarding
Rogers Shipping Pte Ltd **	Ordinary	June 30,	11,021	51.0	49.0	Republic of Singapore	Investment holding
Velogic Express Reunion	Ordinary	June 30,	8,341	100.0	-	Reunion Island	Courier Services
Velogic India Private Ltd	Ordinary	June 30,	11,156	100.0	-	India	Freight forwarding
Velogic Sea Frigo R’Frigo SA	Ordinary	June 30,	4,085	100.0	-	Reunion Island	Freight forwarding
VK Logistics Ltd	Ordinary	June 30,	163,814	51.0	49.0	Mauritius	Investment holding
Logistics Solutions Ltd holds the following subsidiaries:							
Associated Container Services Ltd *	Ordinary	June 30,	93,877	98.5	1.5	Mauritius	Port Services
Freeport Operations (Mauritius) Ltd *	Ordinary	June 30,	178,429	98.5	1.5	Mauritius	Port Services
Associated Container Services Ltd holds the following subsidiary:							
MTL Logistics & Distribution Co Ltd *	Ordinary	June 30,	1,688	98.5	1.5	Mauritius	Dormant
Velogic Haulage Services Ltd	Ordinary	June 30,	31,514	100.0	-	Mauritius	Transport Services
Velogic Haulage Services Ltd holds the following subsidiary:							
Velogic Garage Services Limited *	Ordinary	June 30,	10,999	100.0	-	Mauritius	Garage Services

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Details of the subsidiaries are as follows: (cont'd)

Name of company	Class of shares held	Financial year end	Stated capital	Proportion of indirect ownership interest	Proportion of ownership interest held by non-controlling interests	Country of incorporation and operation	Main business activity
			Rs'000	%	%		
Papol Holding Limited holds the following subsidiary:							
P.A.P.O.L.C.S Limited**	Ordinary	June 30,	100	48.0	52.0	Mauritius	Stevedoring
Velogic Ltd holds the following subsidiary:							
Express Logistics Solutions Ltd	Ordinary	June 30,	1	100.0	-	Mauritius	Dormant
Global Air Cargo Services Ltd	Ordinary	June 30,	433	50.0	50.0	Mauritius	Freight forwarding
VK Logistics Ltd holds the following subsidiaries:							
General Cargo Services Ltd	Ordinary	June 30,	889	100.0	-	Kenya	Freight forwarding
Gencargo Transport Limited	Ordinary	December 31,	1,422	100.0	-	Kenya	Port services

* The non-controlling interest are not material to the entity.

** Papol Holding Limited holds 80% of P.A.P.O.L.C.S Limited and the indirect ownership interest of Velogic Holding Company Limited is 48%.

(c) ***Subsidiary with material non-controlling interests***

(i) Details for subsidiary that have non-controlling interests that are material to the entity:

	VK Logistics Ltd
March 31, 2021	Rs'000
Profit allocated to non-controlling interests	**13,418**
Accumulated non-controlling interest at March 31, 2021	**161,464**
June 30, 2020	
Profit allocated to non-controlling interests	25,953
Accumulated non-controlling interest at June 30, 2020	150,703

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) ***Subsidiary with material non-controlling interests (cont'd)***

(ii) Summarised financial information on subsidiary with material non-controlling interests.

- Summarised statement of financial position and statement of profit or loss and other comprehensive income.

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit	Other comprehensive income	Total comprehensive income	Dividend paid to non-controlling interests
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
March 31, 2021									
VK Logistics Ltd	**308,571**	**237,512**	**192,655**	**23,909**	**293,419**	**27,383**	**(5,423)**	**21,960**	**-**
June 30, 2020									
VK Logistics Ltd	295,330	227,988	191,710	24,049	341,250	48,883	11,124	60,007	-

- Summarised cash flow information

Name	Operating activities	Investing activities	Financing activities	Net (decrease)/ increase in cash and cash equivalent
	Rs'000	Rs'000	Rs'000	Rs'000
March 31, 2021				
VK Logistics Ltd	**131,430**	**(22,369)**	**(60,130)**	**48,931**
June 30, 2020				
VK Logistics Ltd	35,967	(33,461)	(22,522)	(20,016)

The summarised financial information above is the amount before intra-group elimination.

9. FINANCIAL ASSEST AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a) Equity investments at fair value through other comprehensive income

	THE GROUP	
	March 31, 2021	June 30, 2020
Level 3	**Rs'000**	Rs'000
At July 1, 2020	**2,715**	1,544
Increase in fair value credited to other comprehensive income	**-**	1,518
Exchange differences	**495**	(347)
At March 31, 2021/At June 20, 2020	**3,210**	2,715

(b) Fair value through other comprehensive income financial assets include the following:

	THE GROUP	
	March 31, 2021	June 30, 2020
Unquoted:	**Rs'000**	Rs'000
Mexa (Mtius) Investment Ltd	**723**	723
Les Lycees Associes Ltee	**706**	706
Prokid	**1,139**	1,139
Others	**642**	147
	3,210	2,715

(c) Financial assets measured at fair value through other comprehensive income include the Group’s equity investments not held for trading. The Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these investments.

(d) The table below sets out information about significant unobservable inputs used in measuring financial instruments categorised as Levels 3 in the fair value hierarchy.

	Valuation technique				**Sensitivity to changes in significant unobservable inputs**
Name of investee	**2021**	**2020**	**Unobservable inputs**	**Range**	
Mexa (Mtius) Investment Ltd	NAV	NAV	N/A	N/A	N/A
Les Lycees Associes Ltee	NAV	NAV	N/A	N/A	N/A
Prokid	NAV	NAV	N/A	N/A	N/A

NAV - Net assets value, N/A - Not applicable

(e) Fair value through other comprehensive income financial assets are denominated in Mauritian rupees.

10. DEFERRED INCOME TAX

Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2020: 17%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity.

The following amounts are shown in the statements of financial position:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
Deferred tax assets	**24,891**	28,176
Deferred tax liabilities	**(87,838)**	(92,107)
	(62,947)	(63,931)

At the end of the reporting period, the Group had unused tax losses of **Rs 94.866 million** (2020: Rs 103.877 million) available for offset against future taxable profits. No deferred tax asset has been recognised in respect of such losses due to unpredictability of future profit streams. The tax losses expire on a rolling basis over 5 years.

(b) The movement on the deferred income tax account is as follows:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
At July 1, 2019	**(63,931)**	(69,246)
Credited to profit or loss (note 16(b))	**1,724**	12,918
(Charged)/credited to other comprehensive income	**(855)**	(8,211)
On acquisition of subsidiary (note 32)	**-**	(8)
Exchange differences	**115**	616
At March 31, 2021/At June 20, 2020	**(62,947)**	(63,931)

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

(i) Deferred tax assets

	THE GROUP				
	Retirement benefit obligations	Right-of-use assets	Inventories	ECL on financial assets	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2019	9,022	-	-	3,511	12,533
Credited to profit or loss	525	5,926	593	5,558	12,602
Credited to other comprehensive income	2,913	-	-	-	2,913
Exchange differences	-	-	-	128	128
At June 30, 2020	12,460	5,926	593	9,197	28,176

10. DEFERRED INCOME TAX (CONT'D)

(i) Deferred tax assets

	THE GROUP				
	Retirement benefit obligations	Right-of-use assets	Inventories	ECL on financial assets	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2020	12,460	5,926	593	9,197	28,176
Credited to profit or loss	(1,434)	680	(457)	(1,080)	(2,291)
Credited to other comprehensive income	(855)	-	-	-	(855)
Exchange differences	-	(62)	-	(77)	(139)
At March 31, 2021	**10,171**	**6,544**	**136**	**8,040**	**24,891**

(ii) Deferred tax liabilities

	THE GROUP				
	Accelerated tax depreciation	Revaluation of assets	Customer related goodwill	Concession rights	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2019	(19,274)	(38,794)	(5,120)	(18,591)	(81,779)
(Charged)/(credited) to profit or loss	(1,357)	(257)	1,420	510	316
Credited to other comprehensive income	-	(11,124)	-	-	- (11,124)
On acquisition of subsidiary	(8)	-	-	-	(8)
Exchange differences	488	-	-	-	488
At June 30, 2020	(20,151)	(50,175)	(3,700)	(18,081)	(92,107)
Credited to profit or loss	2,567	-	1,065	383	4,015
Exchange differences	254	-	-	-	254
At March 31, 2021	**(17,330)**	**(50,175)**	**(2,635)**	**(17,698)**	**(87,838)**

11. INVENTORIES

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
(a) Raw material	**11,247**	8,576
Spare parts and consumables	**14,552**	14,747
Containers	**6,464**	11,527
	32,263	34,850

(b) All inventories are stated at cost. There was no inventory write down in March 2021 and June 2020.

(c) The cost of inventories recognised as expense and included in cost of sales amounted to **Rs 96.531 million** (2020: Rs.116.291 million) for the Group.

(d) The bank borrowings are secured by floating charges on the assets of the Group including inventory (note 19).

12. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables	**1,068,308**	970,720	**-**	-
Expected credit loss allowance	**(120,660)**	(110,963)	**-**	-
Trade receivables - net	**947,648**	859,757	**-**	-

(a) *Impairment of trade receivables*

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based in the payment profiles of sales over a period of 3 years before June 30, 2020 and June 30, 2019 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomics factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP of each country in which it sells its services, to be the most relevant factor, and accordingly adjusts the historical rates based on expected changes in these factors. The measurement of the expected credit losses excludes trade receivables which are insured and/or are based on internal or external ratings.

The carrying value of trade and other receivables have been analysed as follows:

		THE GROUP		
March 31, 2021				
Number of days carrying value of trade receivables have been past due	ECL Rate	Estimated total gross carrying amount	Less ECL Allowance	Trade net of ECL
	(%)	Rs'000	Rs'000	Rs'000
Not yet been past due	2.72%	548,729	(14,938)	533,791
Less than 30 days	6.08%	187,310	(11,387)	175,923
Between 30 to 60 days	12.11%	62,609	(7,583)	55,026
Between 60 to 90 days	9.75%	44,645	(4,351)	40,294
Between 90 to 180 days	12.82%	47,489	(6,089)	41,400
Between 180 to 360 days	41.59%	32,782	(13,633)	19,149
More than 360 day	43.30%	144,744	(62,679)	82,065
		1,068,308	**(120,660)**	**947,648**

12. TRADE RECEIVABLES (CONT'D)

(a) *Impairment of trade receivables (cont'd)*

June 30, 2020		THE GROUP		
Number of days carrying value of trade receivables have been past due	ECL Rate	Estimated total gross carrying amount	Less ECL Allowance	Trade receivables net of ECL
	(%)	Rs'000	Rs'000	Rs'000
Not yet been past due	0.88%	628,434	(5,541)	622,893
Less than 30 days	4.09%	89,530	(3,664)	85,866
Between 30 to 60 days	5.23%	66,449	(3,475)	62,974
Between 60 to 90 days	12.28%	44,497	(5,465)	39,032
Between 90 to 180 days	25.16%	47,694	(12,000)	35,694
Between 180 to 360 days	53.92%	28,852	(15,557)	13,295
More than 360 day	100.00%	65,264	(65,261)	3
		970,720	(110,963)	859,757

The closing loss allowances for trade receivables reconcile to the opening loss allowances as follows:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
At July 1,	**110,963**	83,644
Loss allowance recognised in profit or loss during the year	**11,745**	27,907
Receivable written off during the year as uncollectible	**(4,158)**	(7,987)
Exchange differences	**2,110**	7,399
At March 31, 2021/At June 20, 2020	**120,660**	110,963

The 10% increase in gross carrying amount in the balances of trade receivables resulted in an increase of 9% in the ELC allowance recognised at March 31, 2021. Additional disclosures about credit risk of trade receivables has been given in note 3.1(b).

(b) The carrying amounts of trade receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rupee	**227,326**	192,324	-	-
Euro	**288,679**	249,255	-	-
Great Britain Pound	**18,052**	11,661	-	-
US Dollar	**104,499**	116,312	-	-
Kenya Shilling	**215,550**	220,035	-	-
Others	**93,542**	70,170	-	-
	947,648	859,757	**-**	-

(c) The maximum exposure to the credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

13. CONTRACT ASSETS

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
At July 1,	**38,600**	43,226
Transfers in the period from contract assets to trade receivables	**(38,600)**	(43,226)
Excess of revenue recognised over cash (or rights to cash) being recognised during the period	**63,400**	38,600
At March 31, 2021/At June 20, 2020	**63,400**	38,600

(a) Contract assets relate to revenue earned from freight forwarding services which have not yet been invoiced. As such, the balances of this account vary and depend on the number of ongoing services at the end of the year.

(b) The Group did not recognised any expected credit losses at March 31, 2021 (2020: Nil).

(c) Contract assets are now presented separately on the Statement of Financial Position in accordance with IFRS 15 presentation requirements. This item was presented previously in financial assets at amortised cost (note 14).

14. FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Group (note 35)				
Short term loans (interest free)	**-**	-	**26,880**	28,866
Short term loans (interest rate: 4.5% p.a)	**-**	-	**22,803**	23,100
Other receivables	**185**	2,098	**3,129**	2,760
	185	2,098	**52,812**	54,726
External parties				
Other receivables	**126,419**	105,491	**802**	19
	126,604	107,589	**53,614**	54,745

(a) *Other receivables*
These amounts generally arise from transactions outside the usual operating activities of the Group. It includes inter alia disbursements made on behalf of customers, loan to employees, deposits with suppliers and loans to corporate entities .Collateral is not normally obtained.

(b) *Fair values of financial assets at amortised cost*
Due to the short-term nature of the current receivables, their carrying amount is considered to the same as their fair value.

(c) *Impairment and risk exposure*
(i) Financial assets at amortised cost did not include any loss allowance at March 31, 2021 (2020: nil).

14. FINANCIAL ASSETS AT AMORTISED COST (CONT'D)

(d) The carrying amounts of the financial assets at amortised cost are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rupee	**59,547**	50,458	**53,614**	54,745
Euro	**22,991**	17,174	**-**	-
US Dollar	**149**	7,338	**-**	-
Kenya Shilling	**20,595**	19,103	**-**	-
Others	**23,322**	13,516	**-**	-
	126,604	107,589	**53,614**	54,745

15. OTHER ASSETS

	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Prepayments (note 15(a))	**43,704**	37,511	**3**	522
Dividend receivable (note 15(b))	**-**	-	**-**	14,770
	43,704	37,511	**3**	15,292

(a) Prepayments consists of expenses prepaid for inter alia road taxes, software licences, insurances, bank guarantees, subscriptions fees, rentals and other advance payments.

(b) Dividend receivable was recorded in financial assets at amortised cost (note 14) in 2020 and has been reclassified to other assets in 2021.

16. TAXATION

	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) <u>Statements of financial position</u>				
At July 1,	**2,834**	4,211	**(33)**	(127)
Current tax on the adjusted results for the year at 15% (2020: 15%-28%)	**(34,652)**	(34,355)	**-**	(30)
Over provision in previous period	**770**	345	**-**	69
Corporate social responsibility	**75**	(1,814)	**-**	(3)
COVID-19 levy	**(6,939)**	(12,212)	**-**	-
Withholding tax	**(1,932)**	(3,262)	**-**	-
Exchange differences	**241**	(316)	**-**	-
On acquisition of subsidiary	**-**	35	**-**	-
Tax refunded	**(2,357)**	-	**-**	-
Tax paid	**36,064**	50,202	**33**	58
At March 31, 2021/At June 20, 2020	**(5,896)**	2,834	**-**	(33)
Disclosed as:				
Current tax assets	**16,601**	23,184	**-**	-
Current tax liabilities	**(22,497)**	(20,350)	**-**	(33)
	(5,896)	2,834	**-**	(33)

16. **TAXATION (CONT'D)**

(b) Statements of profit or loss

	THE GROUP		THE COMPANY	
	9 months to March 31, 2021	Year ended June 30, 2020	**9 months to March 31, 2021**	Year ended June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current tax on the adjusted results for the year at 15%-28% (2020: 15%-28%)	**34,652**	34,355	**-**	30
Corporate social responsibility	**(75)**	1,814	**-**	3
COVID-19 levy	**6,939**	12,212	**-**	-
Withholding tax	**1,932**	3,262	**-**	-
Over provision in previous period	**(770)**	(345)	**-**	(69)
	42,678	51,298	**-**	(36)
Deferred tax credit (note 10(b))	**(1,724)**	(12,918)	**-**	-
Tax charge/(credit)	**40,954**	38,380	**-**	(36)

(c) The tax on the Group's and the Company's profit before tax differs from the theoretical amount that would arise using the basis tax rate of the Company as follows:

	THE GROUP		THE COMPANY	
	9 months to March 31, 2021	Year ended June 30, 2020	**9 months to March 31, 2021**	Year ended June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before taxation	**171,465**	142,870	**32,238**	37,644
Tax calculated at 15%-28% (2020: 15%-28%)	**34,034**	30,735	**4,836**	5,647
Income not subject to tax (note (i))	**(35,491)**	(42,313)	**(5,750)**	(6,029)
Expenses not deductible for tax purposes (note (ii))	**49,950**	26,163	**914**	412
Tax losses for which no deferred income tax was recognised	**245**	13,912	**-**	-
Utilisation of previously unrecognised tax losses	**(1,932)**	(2,254)	**-**	-
(Over)/under provision in previous period	**(770)**	(345)	**-**	(69)
Corporate social responsibility	**(75)**	1,814	**-**	3
COVID-19 levy	**(6,939)**	12,212	**-**	-
Withholding tax	**1,932**	3,262	**-**	-
Foreign tax credit	**-**	(4,806)	**-**	-
Tax charge/(credit)	**40,954**	38,380	**-**	(36)
Effective tax rate	**24%**	27%	**0%**	0%

(i) Income not subject to tax includes annual allowances, balancing allowance, foreign exchange gain on bank balance and lease rental payments.

(ii) Expenses not deductible for tax purposes include depreciation and amortisation charge, employee benefit expense, interest on leases, bad debts written off and provision for impairment losses.

17. SHARE CAPITAL

THE GROUP AND THE COMPANY	**March 31, 2021** Number of shares	June 30, 2020 Number of shares	**March 31, 2021** Amount	June 30, 2020 Amount
			Rs'000	Rs'000
Authorised, issued and fully paid - No Par Value Shares				
At July 1, 2020 and **March 31, 2021**	**93,515,565**	93,515,565	**1,019,294**	1,019,294

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

18. OTHER RESERVES

THE GROUP

(a) **March 31, 2021**

	Attributable to the equity holders of the parent				
	Financial assets at FVOCI reserve	Revaluation surplus	Translation reserves	Actuarial gains	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2020	(8,458)	292,094	(49,334)	(8,587)	225,715
Other comprehensive income for the year	-	-	(1,951)	5,104	3,153
At March 31, 2021	**(8,458)**	**292,094**	**(51,285)**	**(3,483)**	**228,868**

(b) June 30, 2020

	Attributable to the equity holders of the parent				
	Financial assets at FVOCI reserve	Revaluation surplus	Translation reserves	Actuarial gains	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2019	(9,959)	223,108	(43,150)	8,885	178,884
Other comprehensive income for the year	1,495	67,673	(6,184)	(17,427)	45,557
Change in ownership interest in subsidiary	6	1,313	-	(45)	1,274
At June 30, 2020	(8,458)	292,094	(49,334)	(8,587)	225,715

Financial assets at FVOCI reserve

Gains/losses arising on financial assets at fair value through other comprehensive income.

Revaluation surplus

The revaluation surplus arises on the revaluation of land and building.

Translation reserves

The translation reserve comprise all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operations.

Actuarial gains

The actuarial gains reserve represents the cumulative remeasurement of defined benefit obligation recognised.

19. BORROWINGS

	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Non-current				
Bank loans	**89,353**	92,804	**20,246**	-
Loan from related parties (note 35)	**104,338**	104,350	**27,117**	-
Other loans	**4,616**	4,091	**-**	-
Borrowings with other financial institutions (note (e))	**17,842**	22,950	**-**	-
	216,149	224,195	**47,363**	-
Current				
Bank overdrafts	**15,740**	91,635	**4,049**	12,026
Bank loans	**71,733**	99,133	**-**	24,985
Other loans	**46,188**	66,707	**-**	-
Loan from related parties (note 35)	**36,666**	46,029	**31,693**	60,493
Borrowings with other financial institutions (note (e))	**12,051**	16,107	**-**	-
	182,378	319,611	**35,742**	97,504
Total borrowings	**398,527**	543,806	**83,105**	97,504

(a) The borrowings include secured liabilities (bank loans and borrowings with other financial institutions amounting to **Rs 207.105 million** (2020: Rs 323.830 million) for the Group and **Rs 51.412 million** for the Company (2020: Rs 37.011million). The bank borrowings are secured by floating charges on the assets of the Group including property, plant and equipment, investments and inventories (note 5 and 11) .

Other loans comprise mainly of loans from minority shareholders of subsidiaries. The loans are unsecured, carries interest between 7.50% and 8.00% (2020: 7.50% and 8.00%) and are repayable within 12 months.

(b) The exposure of the Group and the Company's borrowings to interest-rate changes and the contractual repricing dates are as follows:

THE GROUP	2 months or less	2-12 months	1-5 years	Over 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At March 31, 2021					
Total borrowings	**22,674**	**159,704**	**210,593**	**5,556**	**398,527**
At June 30, 2020					
Total borrowings	127,304	192,307	221,429	2,766	543,806

THE COMPANY	2 months or less	2-12 months	1-5 years	Over 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At March 31, 2021					
Total borrowings	**35,742**	**-**	**43,314**	**4,049**	**83,105**
At June 30, 2020					
Total borrowings	97,504	-	-	-	97,504

19. **BORROWINGS (CONT'D)**

(c) The maturity of borrowings is as follows:

	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Non-current:				
1-2 years	**95,121**	88,009	**31,166**	-
2-5 years	**115,472**	133,420	**12,147**	-
More than five years	**5,556**	2,766	**4,050**	-
	216,149	224,195	**47,363**	-
Current:				
2 months or less	**22,674**	127,303	**35,742**	97,504
2-12 months	**159,704**	192,308	**-**	-
	182,378	319,611	**35,742**	97,504
Total borrowings	**398,527**	543,806	**83,105**	97,504

(e) Loan from related parties are unsecured and bear an interest of 2.85%-4.20% (2020: 2.85%-5.00%).

(f) Borrowings with other financial institutions

	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
2 months or less	**2,616**	3,422	**-**	-
2-12 months	**10,484**	14,031	**-**	-
1-2 years	**9,021**	11,477	**-**	-
2-5 years	**10,010**	14,246	**-**	-
More than 5 years	**132**	-	**-**	-
	32,263	43,176	**-**	-
Future finance charges	**(2,370)**	(4,119)	**-**	-
Present value	**29,893**	39,057	**-**	-

The present value may be analysed as follows:	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Not later than 1 year	**12,051**	16,107	**-**	-
Later than one year and not later than five years	**17,842**	22,950	**-**	-
	29,893	39,057	**-**	-

Borrowings with other financial institutions are contracted to acquire specific assets and are effectively secured as the rights to these assets revert to the financial institution in the event of default. There are no restrictions imposed on the Group by these arrangements other than in respect of these specific assets. The agreements have varying terms, purchase options and escalation clauses.

19. **BORROWINGS (CONT'D)**

(g) The effective interest rates at the end of reporting period were as follows:

	March 31, 2021	June 30, 2020
	%	%
Bank loans - MUR	**4.10-5.10**	**2.65-4.35**
Bank loans - EURO	**3.36-3.90**	**3.74-3.90**
Loans from related companies	**2.85-4.20**	**2.85-5.00**
Other loans - MUR	**7.50%**	**7.50**
Other loans - USD	**8.00**	**8.00**
Borrowings with other financial institutions	**5.35-17.25**	**5.35-17.25**
Bank overdrafts	**9.45-13.00**	**3.49-11.00**

(h) The carrying amounts of the Group's and the Company's borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rupee	**207,846**	278,236	**58,810**	60,493
Euro	**121,609**	185,129	**24,295**	37,011
US Dollar	**53,386**	58,016	**-**	-
Kenya Shilling	**1,327**	14,516	**-**	-
Others	**14,359**	7,909	**-**	-
	398,527	543,806	**83,105**	97,504

(i) The carrying amounts of borrowings are not materially different from the fair value.

20. **RETIREMENT BENEFIT OBLIGATIONS**

Amount recognised in the statements of financial position as non-current liabilities:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
Defined pension benefits (note 20(a)(ii))	**45,290**	31,414
Other post retirement benefits (note 20(b)(i))	**37,649**	58,046
	82,939	89,460
Amount charged to profit or loss:		
Defined pension benefits (note 20(a)(vi))	**1,283**	1,630
Other post retirement benefits (note 20(b)(iii))	**5,919**	6,665
	7,202	8,295

20. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Amount charged/(credited) to other comprehensive income:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
Defined pension benefits (note 20(a)(vii))	**14,276**	8,984
Other post retirement benefits (note 20(b)(iv))	**(22,936)**	7,751
	(8,660)	16,735

(a) Defined pension benefits

(i) The Group contributes a defined contribution plan, the Rogers Money Purchase Retirement Fund (RMPRF) which is governed by the employment laws of Mauritius, to which have been transferred the pension benefits of all employees who were members of a self-administered defined benefit superannuation fund (DBSF). These employees contributing regularly to the RMPRF, have been given the guarantee by their respective employers that their benefits at the age of sixty, under the RMPRF would not be less than the benefits provided under the ex DBSF. The potential liability under the above guarantee is funded by additional employers' contributions and has been included in the provision made for retirement benefit obligations.

In addition to the above, three subsidiaries have defined benefit plans which are funded and where the plan assets are held by Swan Life Ltd.

The most recent actuarial valuations of the plan assets and the present value of the defined benefit obligations were carried out at June 30, 2020 by AON Hewitt Ltd (Actuarial Valuer). The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) The amounts recognised in the statements of financial position are as follows:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
Present value of defined benefit obligations	**54,149**	40,377
Fair value of plan assets	**(8,859)**	(8,963)
Liability in the statements of financial position	**45,290**	31,414

(iii) The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
At July 1,	**31,414**	23,016
Charged to profit or loss	**1,283**	1,630
Charge to other comprehensive income	**14,276**	8,984
Employer contributions	**(1,683)**	(2,216)
At March 31, 2021/At June 20, 2020	**45,290**	31,414

20. **RETIREMENT BENEFIT OBLIGATIONS (CONT'D)**

(a) **Defined pension benefits (cont'd)**

(iv) The movement in the defined benefit obligations over the year is as follows:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
At July 1,	**40,377**	30,562
Interest expense	**972**	3,814
Current service cost	**304**	311
Past service cost	**179**	-
Benefits paid	**(1,972)**	(3,743)
Liability experience loss	**1,656**	1,247
Liability loss due to change in financial assumptions	**12,633**	8,186
At March 31, 2021/At June 20, 2020	**54,149**	40,377

(v) The movement in the fair value of plan assets of the year is as follows:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
At July 1,	**8,963**	7,546
Interest income	**172**	2,495
Employer contributions	**1,857**	63
Benefits paid	**(2,146)**	(1,590)
Return on plan assets excluding interest income	**13**	449
At March 31, 2021/At June 20, 2020	**8,859**	8,963

(vi) The amounts recognised in profit or loss are as follows:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
Current service cost	**304**	311
Past service cost	**179**	-
Net interest on net defined benefit liability	**800**	1,319
Total included in "employee benefit expense" (note 26)	**1,283**	1,630
Actual return on plan assets	**185**	2,944

(vii) The amounts recognised in other comprehensive income are as follows:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
Return on plan assets above interest income	**(13)**	(449)
Liability experience loss	**1,656**	1,247
Liability loss due to change in financial assumptions	**12,633**	8,186
Total included in other comprehensive income	**14,276**	8,984

20. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

(viii) The allocation of plan assets at the end of the reporting period for each category, is as follows:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
Equity - overseas quoted	**1,860**	1,882
Equity - local quoted	**3,101**	3,137
Debt - overseas quoted	**797**	807
Debt - local unquoted	**2,303**	2,330
Property - local	**177**	179
Cash and other	**621**	628
Total	**8,859**	8,963

(ix) The principal actuarial assumptions used for the purposes of the actuarial valuations were:

	THE GROUP	
	March 31, 2021	June 30, 2020
Discount rate	**2.7%**	3.5%
Future salary increases	**0.0%-3.0%**	0.0%-2.5%
Future pension increases	**0.0%**	0.0%
Average retirement age (ARA)	**60-65 years**	60-65 years
Average life expectancy for:		
-Male at ARA	**13-19.5 years**	13-19.5 years
-Female at ARA	**14-24.2 years**	14-24.2 years

(x) Sensitivity analysis on defined benefit obligations at the end of the reporting date:

	THE GROUP			
	March 31, 2021		June 30, 2020	
	Increase	**Decrease**	Increase	Decrease
	Rs'000	**Rs'000**	Rs'000	Rs'000
Discount rate (1% movement)	**22,428**	**9,815**	16,385	7,212

An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on defined benefit obligations at the end of the reporting period.

The sensitivity above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely

that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

20. **RETIREMENT BENEFIT OBLIGATIONS (CONT'D)**

(xi) The defined benefit pension plan exposes the Group to actuarial risks such as investment risk, interest risk, longevity risk and salary risks.

Investment risk
The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Interest risk
A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity risk
The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk
The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

(xii) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan. The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity’s actuaries.

(xiii) Expected contributions to post-employment benefit plans for the period ending March 31, 2021 are Rs 2.283 million (2020: Rs 2.285 million) for the Group.

(xiv) The weighted average duration of the defined benefit obligation ranges between 2 - 13 years at the end of the reporting period.

(b) **Other post retirement benefits**

Other post retirement benefits comprise mainly of gratuity on retirement payable under The Workers' Rights Act 2019 and other benefits.

(i) The reconciliation of the opening balances to the closing balances is as follows:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
At July 1,	**58,046**	45,440
Charged to profit or loss	**5,919**	6,665
(Credited)/charged to other comprehensive income	**(22,936)**	7,751
Employer contributions	**(3,380)**	(1,810)
At March 31, 2021/At June 20, 2020	**37,649**	58,046

20. **RETIREMENT BENEFIT OBLIGATIONS (CONT'D)**

(b) **Other post retirement benefits (cont'd)**

(ii) The movement in the defined benefit obligations over the year is as follows:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
At July 1,	**58,046**	45,440
Current service cost	**3,499**	3,898
Interest expense	**1,490**	2,506
Past service cost	**930**	261
Liability experience gain	**(7,747)**	(593)
Liability experience gain due to change in demographic assumptions	**(18,914)**	-
Liability loss due to change in financial assumptions	**3,725**	8,344
Benefits paid	**(3,380)**	(1,810)
At March 31, 2021/At June 20, 2020	**37,649**	58,046

(iii) The amounts recognised in profit or loss are as follows:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
Current service cost	**3,499**	3,898
Past service cost	**930**	261
Net interest expense	**1,490**	2,506
Total included in "employee benefit expense" (note 26)	**5,919**	6,665

(iv) The amounts recognised in other comprehensive income are as follows:

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
Liability experience gain	**(7,747)**	(593)
Liability experience gain due to change in demographic assumptions	**(18,914)**	-
Liability loss due to change in financial assumptions	**3,725**	8,344
Total included in other comprehensive income	**(22,936)**	7,751

(v) The principal actuarial assumptions used for the purposes of the actuarial valuations were:

	THE GROUP	
	March 31, 2021	June 30, 2020
Discount rate	**2.7%**	3.5%-5.6%
Future salary increases (staff/workers)	**1.0%-3.0%**	2.5%-4.0%
Future pension increases	**0.0%**	0.0%-0.5%
Average retirement age (ARA)	**65 years**	65 years
Average life expectancy for:		
-Male at ARA	**15.9 years**	13-15.9 years
-Female at ARA	**16.6-24.2 years**	14-20 years

20. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other post retirement benefits (cont'd)

(vi) Sensitivity analysis on defined benefit obligations at the end of the reporting date:

	THE GROUP			
	March 31, 2021		June 30, 2020	
	Increase	**Decrease**	Increase	Decrease
	Rs'000	**Rs'000**	Rs'000	Rs'000
Discount rate (1% movement)	**5,220**	**4,364**	(16,830)	11,698

An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on the retirement gratuity at the end of the reporting period.

The sensitivity above has been determined based on a method that extrapolates the impact on the retirement gratuity as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the retirement gratuity has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the retirement gratuity as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(vii) The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries. Expected contributions to post-employment benefit plans for the period ending are Rs 0.688 million (2020: Rs 1.245 million) for the Group.

(viii) The weighted average duration of the retirement gratuity ranges between 3 - 25 years at the end of the reporting period.

21. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**496,685**	222,595	**-**	-
Accruals	**301,333**	306,033	**4,675**	-
Other payables	**44,527**	86,088	**844**	1,050
Amounts due to related parties (note 35)	**8,900**	681	**26,880**	26,880
	851,445	615,397	**32,399**	27,930

(a) The carrying amounts of trade and other payables approximate their fair values.

(b) Amount due to related parties are unsecured, free of interest and repayable on demand.

(c) Accruals and other payables include provision for end of year bonus, performance bonus and VAT payable.

22. CONTRACT LIABILITIES

	THE GROUP	
	March 31, 2021	June 30, 2020
	Rs'000	Rs'000
At July 1,	**20,039**	42,699
Amounts included in contract liabilities that was recognised as revenue during the period	**(20,039)**	(42,699)
Cash received in advance of performance and not recognised as revenue during the period	**30,548**	20,039
At March 31, 2021/At June 20, 2020	**30,548**	20,039

(a) Contract liabilities include advances received for port services, packing, shipping and freight forwarding services for which performance obligations was not yet satisfied at end of the reporting period. The outstanding balances of these accounts decreased in March 2021 as less advances were received from customers.

(b) Contract liabilities are now presented separately on the Statement of Financial Position in accordance with IFRS 15 presentation requirements. This item was presented previously in trade and other payables (note 21).

23. DIVIDENDS

(a) The movement in the statements of financial position is as follows:

(i) <u>March 31, 2021</u>

	Equity holders	Non-controlling interests	Total
	Rs'000	Rs'000	Rs'000
Balance at July 1, 2020	**15,000**	**225**	**15,225**
Dividend declared during the year	**22,000**	**3,325**	**25,325**
Dividend paid	**(37,000)**	**(3,482)**	**(40,482)**
Balance at March 31, 2021	**-**	**68**	**68**

(ii) <u>June 30, 2020</u>

	Equity holders	Non-controlling interests	Total
	Rs'000	Rs'000	Rs'000
Balance at July 1, 2019	20,000	2,375	22,375
Dividend declared during the year	39,350	3,162	42,512
Dividend paid	(44,350)	(5,312)	(49,662)
Balance at June 30, 2020	15,000	225	15,225

(b) Amounts recognised as distributions to equity holders in the year:

	THE GROUP AND THE COMPANY	
	9 months to March 31, 2021	Year ended June 30, 2020
	Rs'000	Rs'000
Interim dividend for the year ended June 30, 2021 of Rs 0.24 per share (2020: Rs 0.26)	**22,000**	24,350
Final dividend for the year ended June 30, 2020 of Rs 0.21 per share	**-**	15,000
	22,000	39,350

24. TOTAL INCOME

	THE GROUP		THE COMPANY	
	9 months to March 31, 2021	Year ended June 30, 2020	**9 months to March 31, 2021**	Year ended June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Revenue from sale of services	**2,850,101**	3,073,424	**-**	-
Commission and other income	**28,995**	45,558	**-**	-
Dividend income	**-**	-	**38,330**	39,136
Interest income	**3,212**	3,748	**942**	1,086
	2,882,308	3,122,730	**39,272**	40,222

(a) Disaggregation of revenue from sale of services

	THE GROUP		THE COMPANY	
	9 months to March 31, 2021	Year ended June 30, 2020	**9 months to March 31, 2021**	Year ended June 30, 2020
Product type	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Freight forwarding	**2,123,824**	2,180,449	**-**	-
Courier services	**184,119**	187,325	**-**	-
Packing of special sugars	**96,085**	73,630	**-**	-
Port related and transport services	**575,673**	758,763	**-**	-
Shipping services	**66,102**	67,690	**-**	-
Warehousing	**78,712**	135,938	**-**	-
	3,124,515	3,403,795	**-**	-
Inter-segment revenue	**(274,414)**	(330,371)	**-**	-
Revenue from contract with external customers	**2,850,101**	3,073,424	**-**	-
(b) Timing of revenue recognition				
At a point in time	**2,850,101**	3,073,424	**-**	-
Over time	**-**	-	**-**	-
	2,850,101	3,073,424	**-**	-

25. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	9 months to March 31, 2021	Year ended June 30, 2020	**9 months to March 31, 2021**	Year ended June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost of services rendered	**1,844,457**	1,898,731	**-**	-
Raw materials and consumables used	**41,666**	35,845	**-**	-
Total direct costs	**1,886,123**	1,934,576	**-**	-
Rental expense	**9,710**	11,524	**-**	-
Telecommunication expenses	**8,528**	11,731	**-**	-
Commissions payable	**1,173**	1,494	**-**	-
Professional fees	**18,563**	21,025	**3,807**	773
Insurance	**10,803**	11,664	**-**	-
Overseas travelling - Business	**2,435**	7,662	**-**	-
IT expenses	**12,502**	15,676	**-**	-
Office Supplies	**5,815**	7,343	**-**	-
Advertising and promotion	**1,694**	2,895	**-**	-
Miscellaneous expenses	**57,540**	73,004	**481**	169
Total direct costs and other expenses	**2,014,886**	2,098,594	**4,288**	942

26. EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	9 months to March 31, 2021	Year ended June 30, 2020	**9 months to March 31, 2021**	Year ended June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries, including termination benefits	**506,694**	630,715	**-**	-
Pension costs - defined contribution plans	**3,501**	5,531	**-**	-
Pension costs - defined benefit plans (note 20(a)(vi))	**1,283**	1,630	**-**	-
Pension costs - other post retirement benefits (note 20(b)(iii))	**5,919**	6,665	**-**	-
	517,397	644,541	**-**	-

Wage subsidy

In response to the COVID-19 coronavirus pandemic, in March 2020 the government of Mauritius introduced a wage subsidy programme (Government Wage Assistance Scheme (GWAS)) to ensure that all employees are duly paid their salary for the month of March 2020 to May 2020.

Under the scheme, a business entity in the private sector is entitled to receive, for the month of March 2020, in respect to its wage bill, an amount equivalent to 15 days’ basic wage bill for all of its employees drawing a monthly basic wage of up to Rs 50,000 subject to a cap of Rs 12,500 of assistance per employee. For the month of April 2020 and May 2020, a business was eligible to receive an additional funding equivalent to one month’s basic wage bill for its employees drawing a monthly basic wage of up to Rs 50,000 subject to a cap of Rs 25,000 of assistance per employee.

The Group has received an amount of Rs 3.691 million (2020: Rs 30.097 million) from the Government Wage Assistance Scheme. The Group presents grants related to income as 'employee benefit expenses' in the statement of profit or loss.

27. FINANCE INCOME AND FINANCE COSTS

	THE GROUP		THE COMPANY	
	9 months to March 31, 2021	Year ended June 30, 2020	**9 months to March 31, 2021**	Year ended June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) ***Finance income***				
Net foreign exchange transactions gains	**9,372**	31,408	**(1,276)**	188
(b) ***Finance costs***				
Interest expense:				
-Bank overdraft	**(6,061)**	(10,594)	**(2)**	(40)
-Loans from holding company	**(3,754)**	(5,011)	**-**	-
-Loan from subsidiary company	**-**	-	**(733)**	(866)
-Bank loans repayable by instalments	**(5,108)**	(10,252)	**(735)**	(918)
-Other loans not repayable by instalments	**(3,321)**	(4,372)	**-**	-
-Borrowings with other financial institutions	**(1,580)**	(2,636)	**-**	-
-Leases	**(12,139)**	(17,485)	**-**	-
	(31,963)	(50,350)	**(1,470)**	(1,824)

Interest on bank loans repayable by instalments and other loans not repayable by instalments have been disclosed separately in 2021 to provide further understanding of the interest incurred by the Group.

28. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	9 months to March 31, 2021	Year ended June 30, 2020	**9 months to March 31, 2021**	Year ended June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before taxation is arrived at after:				
Crediting:				
Profit on disposal of property, plant and equipment	**1,393**	5,700	**-**	-
and charging:				
Impairment of financial assets (note 12(a))	**11,745**	27,907	**-**	-
Lease rentals	**9,710**	11,524	**-**	-
Depreciation on property, plant and equipment:				
-owned assets	**71,138**	89,717	**-**	-
- assets financed by other financial institutions	**4,041**	9,840	**-**	-
-right-of-use assets	**61,666**	80,136	**-**	-
Amortisation of intangible assets	**7,379**	10,183	**-**	-
Employee benefit expense (note 26)	**517,397**	644,541	**-**	-

29. EARNINGS PER SHARE

		THE GROUP	
		9 months to March 31, 2021	Year ended June 30, 2020
Profit attributable to the equity holders of the parent	Rs'000	**103,014**	74,090
Weighted average number of shares in issue		**93,515,565**	93,515,565
Earnings per share		**1.10**	0.79

30. NOTES TO THE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	9 months to March 31, 2021	Year ended June 30, 2020	**9 months to March 31, 2021**	Year ended June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Cash generated from/(absorbed in) operations				
Profit before taxation	**171,465**	142,870	**32,238**	37,644
Adjustments for:				
Depreciation on property, plant and equipment (PPE) (note 5)	**75,179**	99,557	**-**	-
Profit on disposal of property, plant and equipment	**(1,393)**	(5,700)	**-**	-
Depreciation on right-of-use assets (note 6)	**61,666**	80,136	**-**	-
Effect of modification to lease terms	**(992)**	-	**-**	-
Amortisation of intangible assets (note 7)	**7,379**	10,183	-	-
Assets scrapped on PPE (note 5)	**-**	150	-	-
Assets scrapped on intangible assets (note 7)	**-**	2,548	-	-
Retirement benefit obligations	**2,139**	4,269	**-**	-
Dividend income	**-**	-	**(38,330)**	(39,136)
Interest income	**(3,212)**	(3,748)	**(942)**	(1,086)
Interest expense	**31,963**	50,350	**1,470**	1,824
	344,194	380,615	**(5,564)**	(754)
Changes in working capital:				
- decrease in inventories	**2,587**	4,858	**-**	-
- (increase)/decrease in trade receivables	**(87,891)**	133,155	**-**	-
- (increase)/decrease in contract assets*	**(24,800)**	4,626	**-**	-
- (increase)/decrease in financial assets at amortised cost*	**(19,015)**	17,268	**(783)**	(19)
- (increase)/decrease in prepayments	**(6,193)**	(5,152)	**519**	(422)
- decrease/(increase) in trade and other payables*	**236,048**	(33,773)	**4,469**	599
- decrease/(increase) in contract liabilities*	**10,509**	(22,660)	**-**	-
Cash generated from/(absorbed in) operations	**455,439**	478,937	**(1,359)**	(596)

* See note 13(c) and note 22(b).

(b) Non-cash transactions	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total acquisition of property, plant and equipment (note 5)	**64,681**	107,166	-	-
Less: acquisition financed by other financial institution (note 5(b))	**(3,199)**	(7,006)	-	-
Amount paid	**61,482**	100,160	-	-

30. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(c) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash in hand and at bank	**416,636**	329,639	**7,436**	5,790

Cash and cash equivalents and bank overdraft include the following for the purpose of the statements of cash flows.

	THE GROUP		THE COMPANY	
	March 31, 2021	June 30, 2020	**March 31, 2021**	June 30, 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash and cash equivalents	**416,636**	329,639	**7,436**	5,790
Bank overdrafts	**(15,740)**	(91,635)	**(4,049)**	(12,026)
	400,896	238,004	**3,387**	(6,236)

(d) Reconciliation of liabilities arising from financing activities:

THE GROUP

(i) **March 31, 2021**	**Bank and other loans**	**Loan from related parties**	**Lease liabilities**	**Borrowings with other financial institutions**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At July 1, 2020	**262,735**	**150,379**	**315,594**	**39,057**	**767,765**
Cash flows - Proceeds	**7,560**	**-**	**-**	**-**	**7,560**
Cash flows - Capital payments	**(67,772)**	**(9,375)**	**(55,864)**	**(12,363)**	**(145,374)**
Cash flows - Interest payments	**-**	**-**	**(12,139)**	**-**	**(12,139)**
Non-cash changes:					
- additions	**-**	**-**	**56,821**	**3,199**	**60,020**
- interest accrued	**-**	**-**	**12,139**	**-**	**12,139**
- foreign exchange movements	**9,367**	**-**	**1,704**	**-**	**11,071**
- effect of modification to lease terms	**-**	**-**	**(39,732)**	**-**	**(39,732)**
At March 31, 2021	**211,890**	**141,004**	**278,523**	**29,893**	**661,310**

(ii) June 30, 2020					
At July 1, 2019	370,337	37,500	-	48,197	456,034
Cash flows - Proceeds	188,106	126,250	-	-	314,356
Cash flows - Capital payments	(310,867)	(13,371)	(68,498)	(16,146)	(408,882)
Cash flows - Interest payments	(14,540)	-	(17,485)	-	(32,025)
Non-cash changes:					
- recognised on adoption of IFRS 16	-	-	356,538	-	356,538
- additions	-	-	22,488	7,006	29,494
- interest accrued	933	-	17,485	-	18,418
- foreign exchange movements	25,056	-	5,066	-	30,122
- on acquisition of subsidiary	3,710	-	-	-	3,710
At June 30, 2020	262,735	150,379	315,594	39,057	767,765

30. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(d) Reconciliation of liabilities arising from financing activities: (cont'd)

THE COMPANY

(iii) **March 31, 2021**	**Bank and other loans**	**Loan from related parties**	**Total**
	Rs'000	**Rs'000**	**Rs'000**
At July 1, 2020	**24,985**	**60,493**	**85,478**
Cash flows - Proceeds	**-**	**27,117**	**27,117**
Cash flows - Capital payments	**(2,050)**	**(28,800)**	**(30,850)**
Non-cash changes:			
- foreign exchange movements	**(2,689)**	**-**	**(2,689)**
At March 31, 2021	**20,246**	**58,810**	**79,056**
(iv) June 30, 2020			
At July 1, 2019	-	59,493	59,493
Cash flows - Proceeds	24,231	19,000	43,231
Cash flows - Capital payments	(1,730)	(18,000)	(19,730)
Non-cash changes:			
- foreign exchange movements	2,484	-	2,484
At June 30, 2020	24,985	60,493	85,478

31. BUSINESS SEGMENTS

Operating segments are components of the Group about which separate financial information is available. They are reported in a manner consistent with the internal reporting provided to the Chief Executive Officers, for both performance measuring and resource allocation.

Operating segments that do not meet any of the quantitative thresholds of 10% reported revenue or profit or assets are included as management determined these segments are based on major product lines.

There are four main reportable segments:
Port services - port related, transport services and warehousing;
Packing - packing of special sugars;
Shipping - shipping services;
Freight forwarding - Courier services and freight forwarding services.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group evaluates performance on the basis of profit or loss and account for intersegment sales and transfers as if the sales or transfer were to third parties, that is, at current market prices.

31. **BUSINESS SEGMENTS (CONT'D)**

(a) **March 31, 2021**

	Port services	Packing	Shipping	Freight forwarding	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total segment revenues	650,052	96,562	75,831	2,495,228	3,317,673
Inter-segment revenues	(101,077)	(6,928)	(2,590)	(324,770)	(435,365)
Revenues from external customers	548,975	89,634	73,241	2,170,458	2,882,308
Segment results	83,152	4,057	34,582	84,010	205,801
Net impairment loss on financial assets	849	(1,821)	(314)	(10,459)	(11,745)
Finance income	201	4,687	1,052	3,432	9,372
Finance costs	(12,984)	(1,346)	(127)	(17,506)	(31,963)
Profit before tax	71,218	5,577	35,193	59,477	171,465
Taxation	(7,065)	(1,128)	(3,106)	(29,655)	(40,954)
Profit for the period	**64,153**	**4,449**	**32,087**	**29,822**	**130,511**
Assets	1,527,975	99,678	96,476	1,798,476	3,522,605
Liabilities	563,226	67,935	65,401	1,055,823	1,752,385
Capital expenditure:					
-property, plant and equipment	35,993	1,981	124	26,583	64,681
-intangible assets	-	74	-	1,435	1,509
Depreciation of:					
-property, plant and equipment	52,403	735	595	21,446	75,179
Depreciation of right-of-use assets	41,374	5,071	183	15,038	61,666
Amortisation of intangible assets	2,668	52	706	3,953	7,379

31. **BUSINESS SEGMENTS (CONT'D)**

(b) June 30, 2020

	Port services	Sugar packing	Shipping	Freight forwarding	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total segment revenues	947,040	73,688	75,299	2,544,259	3,640,286
Inter-segment revenues	(171,710)	-	(2,983)	(342,863)	(517,556)
Revenues from external customers	775,330	73,688	72,316	2,201,396	3,122,730
Segment results	180,427	(3,979)	21,376	(8,105)	189,719
Net impairment loss on financial assets	2,300	921	(1,191)	(29,937)	(27,907)
Finance income	3,702	2,519	1,182	24,005	31,408
Finance costs	(24,278)	(475)	(141)	(25,456)	(50,350)
Profit before tax	162,151	(1,014)	21,226	(39,493)	142,870
Taxation	(22,909)	1,151	(2,537)	(14,085)	(38,380)
Profit for the period	139,242	137	18,689	(53,578)	104,490
Assets	1,590,644	44,705	55,720	1,682,493	3,373,562
Liabilities	618,454	22,028	48,533	1,022,963	1,711,978
Capital expenditure:					
-property, plant and equipment	63,945	1,229	2,260	39,732	107,166
-intangible assets	-	347	-	13,261	13,608
Depreciation of:					
-property, plant and equipment	69,375	1,335	847	28,000	99,557
Depreciation of right-of-use assets	57,004	6,248	241	16,643	80,136
Amortisation of intangible assets	3,832	17	941	5,393	10,183

32. BUSINESS COMBINATIONS

(a) ***Acquisition of subsidiaries - 2020***

On July 1, 2019, a subsidiary, Velogic Limited, acquired 50% of the share capital of Global Air Cargo Services Ltd for Rs 0.722 million and obtained the control of Global Air Cargo Services Ltd, whose principal activity is freight forwarding. As a result of the acquisition, the Group is expected to increase its presence in the market. It also expects to reduce costs through economies of scale.

The goodwill of Rs 1.602 million arising from the acquisition is attributable to the acquisition of a diversified customer base and economies of scale expected from combining the courier operations of the Group and Global Air Cargo Services Ltd. None of the goodwill recognised is expected to be deductible from income tax purposes.

		THE GROUP
(i)	**Consideration**	Rs'000
	At July 1, 2019	
	Cash	500
	Contingent consideration (liability)	222
	Total consideration	**722**

		THE GROUP
(ii)	**Recognised amounts of identifiable assets acquired and liabilities assumed**	Rs'000
	Property, plant and equipment	359
	Trade receivables	3,089
	Current tax assets	35
	Cash and cash equivalents	237
	Trade and other payables	(1,762)
	Borrowings	(3,710)
	Deferred tax liabilities	(8)
	Total identifiable net liabilities	**(1,760)**
	Non-controlling interest	**880**
	Goodwill (note 7)	**1,602**

		THE GROUP
(iii)	**Net cash outflow on acquisition of subsidiaries**	Rs'000
	Consideration paid in cash	500
	Less: cash and cash equivalents balances acquired	(237)
		263

32. **BUSINESS COMBINATIONS (CONT'D)**

(a) ***Acquisition of subsidiaries - 2020 (cont'd)***

(iv) The revenue included in the consolidated financial statements from July 1, 2019 to June 30, 2020 contributed by Global Air Cargo Services Ltd was Rs 23.654 million. The acquisition also contributed losses of Rs 1.168 million over the same period.

(b) ***Acquisition of additional interest in VK Logistics Ltd - 2020***

On July 1, 2019, VK Logistics Ltd, a subsidiary, acquired an additional 20% interest in Gencargo Transport Limited, increasing its ownership from 80% to 100%. The carrying amount of Gencargo Transport Limited's net assets in the consolidated financial statements on the date of acquisition was Rs 25.301 million. The Group recognised a decrease in non-controlling interest of Rs 5.272 million. The purchase consideration paid was of Rs 11.650 million.

The following summarises the effect of changes in the Group's ownership interest in Gencargo Transport Limited:

	THE GROUP
	2020
	Rs'000
Parent's ownership interest at beginning of period	10,323
Effect of increase in parent's ownership interest	2,581
Total comprehensive income for the year	5,378
Parent's ownership interest at end of period	**18,282**

(c) ***Acquisition of additional shares in Logistics Solution Ltd - 2020***

On June 30, 2020, the Company subscribed to 1,652,072 issued by Logistics Solution Ltd. The other shareholders in Logistics Solution Ltd did not subscribe to the share issue. Hence, the direct holding in Logistics Solution Ltd increased from 98.49% to 98.97%.

The following summarises the effect of changes in the Group's ownership interest in Logistics Solutions Ltd:

	THE GROUP
	2020
	Rs'000
Parent's ownership interest at before issue of shares	779,512
Loan from parent capitalised	165,242
Effect of increase in parent's ownership interest	2,039
Parent's ownership interest at end of period	**946,793**

33. **CONTINGENT LIABILITIES**

At March 31, 2021, the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities would arise. The Company has given guarantees in the ordinary course of business, amounting to **Rs 746.116 million** (2020: Rs 694.589 million) to third parties.

34. **COMMITMENTS**

There was no capital expenditure for property, plant and equipment contracted for at the end of the reporting period but not yet incurred for the Group (2020: Rs 7.852 million).

35. RELATED PARTY TRANSACTIONS

(a) **THE GROUP**

	Sale of goods or services	Purchases of goods or services	Management fees	Finance costs	Amount owed by related parties	Amount owed to related parties	Loan payable
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) **March 31, 2021**							
Trading transactions							
Holding company	**-**	**-**	**18,870**	**3,754**	**-**	**-**	**141,004**
Fellow subsidiaries	**13,693**	**22,624**	**-**	**-**	**185**	**8,900**	**-**
	13,693	**22,624**	**18,870**	**3,754**	**185**	**8,900**	**141,004**
(ii) June 30, 2020							
Trading transactions							
Holding company	-	-	30,183	5,774	-	-	150,379
Fellow subsidiaries	31,870	-	-	-	2,098	681	-
	31,870	-	30,183	5,774	2,098	681	150,379

(b) **THE COMPANY**

	Interest income	Dividend income	Finance costs	Amount owed by related parties	Amount owed to related parties	Loan payable
(i) **March 31, 2021**	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Trading transactions						
Subsidiary companies	**-**	**-**	**-**	**52,812**	**26,880**	**58,810**
	-	**-**	**-**	**52,812**	**26,880**	**58,810**
(ii) June 30, 2020						
Trading transactions						
Subsidiary companies	1,086	39,136	866	69,496	26,880	60,493
	1,086	39,136	866	69,496	26,880	60,493

(c) **Key management personnel compensation**

	THE GROUP	
	9 months to March 31, 2021	Year ended June 30, 2020
	Rs'000	Rs'000
Salaries and short term employee benefits	**76,548**	100,603
Post-employment benefits	**13,481**	15,055
	90,029	115,658

(d) For the period ending March 31, 2021, the Company has not recorded any impairment of receivable relating to amounts owed by related parties (June 30, 2020: Nil).

36. GOING CONCERN

The Coronavirus disease 2019 ("COVID-19") outbreak has caused extensive disruptions to businesses operation around the globe. On March 11, 2020, COVID-19 was labelled as pandemic by the World Health Organisation. The outbreak of COVID-19 resulted in associated risks and the need for further judgements and assumptions.

Changes to the estimates and outcomes that have been applied in the measurement of the Group's assets and liabilities may arise in the future due to:
-the dynamic and evolving nature of COVID-19;
-the limited experience of the economic and financial consequences of such a pandemic; and
-the short duration between the declaration of the pandemic and the preparation of these financial statements

Other than the apparent conditions that existed at the end of the reporting period, the impact of events arising after the reporting period will be accounted for in future reporting periods.

The Group operates mainly in the Logistics and Transportation sector across 7 countries including Mauritius. It has been considered the impact of the COVID-19 outbreak on its operations.

In the Logistics served market, the Air freight and Courier activities have been affected by the closure of the airport and is expected to impact revenues and profits. Other activities of the Group were not directly impacted but will suffer indirect consequences of the pandemic.

The Group and the Company have generated a profit of Rs 130.511 million and Rs 32.238 million respectively for the period ended March 31, 2021 (year ended June 30, 2020: Rs 104.490 million for the Group and Rs 37.680 million for the Company). As at that date, the Group and the Company have positive net assets of Rs 1.770 billion and Rs 1.045 billion respectively (June 30, 2020: Rs 1.662 billion for the Group and Rs 1.034 billion for the Company). Moreover, as at June 30, 2020, the Company's current liabilities exceeded its current assets by Rs 7.088 million (June 30, 2020: Rs 64.640 million). Included in the current liabilities are amount due to related parties amounting to Rs 58.573 million. The Company has also received a letter of support from its holding company, Rogers and Company Limited. The holding company confirms that it will continue to provide full support, in proportion to its shareholding in the Company, during the next twelve months from date of approval of the consolidated and separate financial statements.

The entity's operations and that of its subsidiaries have not been significantly impacted by Covid-19 due to the industries they operate. The main source of revenues to the Company is dividend income which is sustainable due to the profitability situation of the subsidiaries. Moreover, the expenses of the Company are not significant and the Company has the resources available to settle its current and future debts. Based on this evaluation, the directors have made assessment of the Company's ability to continue as a going corner taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, which is at least, but not limited to, twelve months from the date of approval of these financial statements and confirm that they have not identified events or conditions that may cast significant doubt in the Company's ability it continue as a going concern.

The Group will however continue to monitor the impact that COVID-19 may have on its operations and reflect the consequences as appropriate on its accounting and reporting.

36. **GOING CONCERN (CONT'D)**

Cash flow and liquidity

The Group debt to Equity ratio was 15% at 30 June 2021 compared to 32% at 30 June 2020. The group has taken the following measures to improve cash flow and liquidity management:

-Eligible subsidiaries have obtained short term moratorium on the repayment of bank loans and interest
-Each subsidiary monitors closely its capital expenditure and the lifetime of some assets have been extended
-Some covenants on borrowings have been breached and as a consequence those loans have been reclassified to current liabilities

The concerned company has obtained waivers from its respective financial institutions;

-Regular committee meetings ensure that the working capital is well managed, especially debtors' collection and creditors payment due dates;
-Directly impacted subsidiaries have negotiated for extended suppliers' credit and deferred rent payment during the lockdown period as per the Government regulations;
-The Group's holding company also provides financial support to certain subsidiaries in need

The above measures taken will reduce liquidity issues and increase resilience. They will help the Group to overcome the crisis whilst continuing to invest in businesses for long term growth.

37. **EVENTS AFTER REPORTING DATE**

There were no other material event after the reporting date to the date that these financial statements were authorised for issue that warrants adjustments or disclosures in these financial statements.